

AGENDA

BOARD OF TRUSTEES MEETING

Thursday, October 15, 2009, 12:00 p.m. UCIP Offices, 10980 S. Jordan Gateway, South Jordan

12:00	Lunch Provided	
12:30	Call to Order and Welcome Attendees	Kay Blackwell
1	Utah Sheriff's Association Jail Accreditation Program	Gary Deland
ITEM	ACTION	
2	Excuse Board Members Absent	Kay Blackwell
3	Approval of September 17, 2009 Meeting Minutes	Steve Wall
4	Review Fourth Amended Interlocal Agreement	Johnnie Miller
5	Review/Approve Amendments to UCIP Bylaws	Kay Blackwell
6	Review/Approve Proposed 2010 Coverage Agreement	Ken Bischoff
7	Review Vendor Contracts	Johnnie Miller
8	Set Date and Time for Closed Meeting to Discuss the Purchase, Exchange, or Lease of Real Property	Kay Blackwell
9	Action on Real Property Matters	Kay Blackwell
10	Set Date and Time for Closed Meeting to Discuss the Pending or Reasonably Imminent Litigation	Kay Blackwell
11	Action on Litigation Matters	Kent Sundberg
12	Appoint Designated Representative to AGRIP	Kay Blackwell
13	Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual	Kay Blackwell
14	Action on Personnel Matters	Kay Blackwell
15	Approve Membership Meeting Agenda/Invitation	Sonya White
16	Review Third Quarter Financial Statements	Sonya White
17	Ratification and Approval of Payments and Credit Card Transactions	Steve Wall
	INFORMATION	
18	Chief Executive Officer's Report	Johnnie Miller
19	Other Business	Kay Blackwell
	Adjourn	



BOARD OF TRUSTEES MEETING MINUTES

October 15, 2009, 12:30 p.m. UCIP Offices, 10980 South Jordan Gateway, South Jordan, UT

BOARD MEMBERS PRESENT

Kay Blackwell, President, Piute County Commissioner

Steve Wall, Secretary-Treasurer, Sevier County Clerk-Auditor

Bruce Adams, San Juan County Commissioner

Ken Bischoff, Vice President, Weber County Commissioner

Jim Eardley, Washington County Commissioner

LaMar Guymon, Emery County Sheriff Jerry Hess, Davis County Deputy Attorney Jerry Hurst, Tooele County Commissioner Karla Johnson, Kane County Clerk-Auditor Wayne Smith, Iron County Commissioner Kent Sundberg, Utah County Deputy Attorney Steve White, Utah County Commissioner

BOARD MEMBERS ABSENT

Brad Dee, Weber County Human Resources Director

OTHERS PRESENT

Johnnie Miller, UCIP Chief Executive Officer Mark Brady, UCIP Loss Control Manager Sonya White, UCIP Manager of Administration

Call to Order

Kay Blackwell called this meeting of the Utah Counties Insurance Pool Board of Trustees to order at 12:30 p.m. on September 17, 2009 and welcomed those in attendance.

Utah Sheriff's Association Jail Accreditation Program

Gary Deland requested time on the UCIP agenda to discuss a new Jail Accreditation Program but did not show up for the meeting.

Review/Excuse Board Members Absent

Brad Dee requested to be excused from this meeting due to a prior commitment. Steve White made a motion to excuse Brad Dee from this meeting. Wayne Smith seconded the motion, which passed unanimously.

Approval of September 17 Meeting Minutes

The minutes of the Board of Trustees meeting held September 17, 2009 were previously sent to the Board Members for review. Steve Wall made a motion to approve the September 17, 2009 meeting minutes as written. Steve White seconded the motion, which passed unanimously.

Review Fourth Amended Interlocal Agreement

A strikethrough copy of the Amended Interlocal Cooperation Agreement was previously sent to the Board Members for review (see attachment number one). Johnnie Miller explained that the Bylaws Committee has met and proposes amendments to the Interlocal that, pursuant to statute, more appropriately belong in the Interlocal instead of the Bylaws. Member assessment language has been more clearly defined in these amendments. Steve White made a motion to approve the proposed amendments to the Interlocal Cooperation Agreement and send the document to the Membership for approval at its December meeting. Jim Eardley seconded the motion, which passed unanimously.

Review/Approve Proposed Amendments to UCIP Bylaw

A strikethrough copy of the Bylaws was previously sent to the Board Members for review (see attachment number two). Johnnie Miller explained that the Bylaws Committee has met and proposes amendments to the Bylaws that include the incorporation of the Board's Joint Policy Statements. The Board requested language clarification under 4.5a. Steve Wall made a motion to approve the proposed amendments, as discussed, to the Bylaws and send the document to the Membership for approval at its December meeting. Ken Bischoff seconded the motion, which passed unanimously.

Review/Approve Proposed 2010 Coverage Agreement

A strikethrough copy of the 2010 Coverage Agreement was previously sent to the Coverage Agreement Committee for review. Johnnie Miller reported that the Coverage Committee has met and discussed the updated/corrected language required by the Pool's reinsurance carrier. Also, proposed amendments have been discussed as issues have arisen during the current policy year to better customize and clarify coverage specific to county government. The Limits of Coverage page is proposed to be amended to show the limits per member instead of the limits for the Pool as a whole (see attachment number three). It is proposed that the Coverage Agreement be changed to an Addendum of the Bylaws. The governing documents/agreements are between the members and the Pool is the administrator. Ken Bischoff made a motion to approve the 2010 Coverage Addendum as presented. Jim Eardley seconded the motion, which passed unanimously.

Review Vendor Contracts

Johnnie Miller provided the Board with a written explanation of and recommendation for each of the vendors used by the Pool (see attachment number four).

Jim Eardley made a motion for the Pool to continue using the audit services of Larson & Rosenberger for the 2009 audit. Wayne Smith seconded the motion, which passed unanimously.

Steve White made a motion for the Pool to continue using the actuarial services of By the Numbers Actuarial Consulting. Karla Johnson seconded the motion, which passed unanimously.

Jim Eardley made a motion for the Pool to continue using the IT consulting services of TCNS. Karla Johnson seconded the motion, which passed unanimously.

Ken Bischoff made a motion for the Pool to continue using the communications services of Paetec. Jim Eardley seconded the motion, which passed unanimously.

Jim Eardley made a motion for the Pool to continue using the web design services of Agile Studios. Ken Bischoff seconded the motion, which passed unanimously.

Karla Johnson made a motion for the Pool to continue using the banking services of Wells Fargo. Steve Wall seconded the motion, which passed unanimously.

Jim Eardley made a motion for the Pool to continue using the services of Mountain View Software. Steve White seconded the motion, which passed unanimously.

Karla Johnson made a motion for the Pool to continue using the bill review services of Corvel. Jerry Hurst seconded the motion, which passed unanimously.

Jim Eardley made a motion for the Pool to terminate the physical therapy/fitness for duty services of Corvel. Wayne Smith seconded the motion, which passed unanimously.

Bruce Adams made a motion for the Pool to continue using the pharmacy management services of CompToday. Karla Johnson seconded the motion, which passed unanimously.

Jerry Hurst made a motion for the Pool to continue purchasing reinsurance/excess insurance from County Reinsurance Limited. Jerry Hess seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

Steve Wall made a motion to strike agenda item: Set Date and Time for Closed Meeting to Discuss the Purchase, Exchange, or Lease of Real Property. Ken Bischoff seconded the motion, which passed unanimously.

Action on Real Property Matters

Steve Wall made a motion to strike agenda item: Action on Real Property Matters. Ken Bischoff seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

Kent Sundberg made a motion to set the date and time for a closed meeting to discuss pending or reasonably imminent litigation for 2:05 p.m. on October 15, 2009. Steve White seconded the motion, which passed unanimously. Board Members present at the closed meeting were: Kay Blackwell, Ken Bischoff, Steve Wall, Bruce Adams, Jim Eardley, LaMar Guymon, Jerry Hess, Jerry Hurst, Karla Johnson, Wayne Smith, Kent Sundberg and Steve White. Johnnie Miller, Mark Brady and Sonya White were also present. The regular meeting resumed at 2:15 p.m. on October 15, 2009.

Action on Litigation Matters

Wayne Smith made a motion to ratify settlement authority in the amount of \$350,000 in the matter of UTA0000432005. LaMar Guymon seconded the motion, which passed unanimously.

Appoint Designated Representative to AGRIP

The Association of Governmental Risk Pools is requesting a designated representative to vote on matters of regular members in the Association. Steve Wall made a motion to appoint Johnnie Miller as the designated representative on behalf of the Pool. Ken Bischoff seconded the motion, which passed unanimously.

AGRIP has requested that a member of the UCIP Board attend a breakfast at the upcoming October 20 Governance Conference. Ken Bischoff nominated Kay Blackwell to represent UCIP at the AGRIP Breakfast. Kent Sundberg seconded the motion, which passed unanimously.

Approve Membership Meeting Agenda/Invitation

Sonya White reviewed the tentative agenda/invitation for the December 3, 2009 Annual Membership Meeting with the Board (see attachment number five). LaMar Guymon made a motion to have Jim Eardley conduct the election process at the meeting. Steve White seconded the motion, which passed unanimously. LaMar Guymon made a motion to hold the Annual Meeting in Utah County. Jim Eardley seconded the motion, which passed unanimously.

Review Third Quarter Financial Statements

Sonya White presented the third quarter financial statements to the Board (see attachment number six). Steve White made a motion to approve the third quarter financial statements as prepared. Karla Johnson seconded the motion, which passed unanimously.

Ratification and Approval of Payments and Credit Card Transactions

Steve Wall reviewed the payments made, payments to be made (see attachment number seven) and credit card transactions with the Board. Steve Wall made a motion to approve the payments made, payments to be made and credit card transactions. Karla Johnson seconded the motion, which passed unanimously.

Chief Executive Officer's Report

Johnnie Miller provided the Board with a copy of the County Reinsurance Limited Member Financial Ratios (see attachment number eight) to show the Pool's ratios compared to the other CRL members.

The Board discussed the outcome of the joint meeting with the staff and Board members of the Utah Local Governments Trust held on October 7, 2009. ULGT management stated that their rating practices are ethical and lawful. Johnnie Miller explained the comparison rating sheets that were used at the meeting with the Board (see attachment number nine). Johnnie reported that Daggett and Duchesne County have retracted their bid letters and will be staying with the UCIP Workers' Compensation Pool in 2010. Two business plan options were discussed (see attachment number 10 and 11). Jim Eardley made a motion for the Pool to continue its Workers' Compensation Pool and that the Board and Staff will make an all out effort for its members to be committed to building a

successful County Pool. Ken Bischoff seconded the motion, which passed 9-3, Jerry Hess, Kent Sundberg and Steve White in opposition.

Johnnie Miller reported that the Pool will be making presentations to the Auditors, Commissioners/Council Members and Sheriffs during their affiliate session at the UAC Annual Convention in November.

Set Date and Time for Closed Meeting

Jim Eardley made a motion to Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual for 4:10 p.m. on October 15, 2009. Ken Bischoff seconded the motion, which passed unanimously. Board Members present at the closed meeting were: Kay Blackwell, Ken Bischoff, Steve Wall, Bruce Adams, Jim Eardley, LaMar Guymon, Jerry Hess, Jerry Hurst, Karla Johnson, Wayne Smith, Kent Sundberg and Steve White. The regular meeting resumed at 4:50 p.m. on October 15, 2009.

Action on Personnel Matters

Jim Eardley made a motion to strike agenda item: Action on Personnel Matters. Ken Bischoff seconded the motion, which passed unanimously.

Other Business

The next meeting of the Board of Trustees is scheduled for November 12, 2009, 6:00 p.m., at the Hilton Garden Inn in St. George.

Approved on this 12 day of November 2009

Steve Wall, UCIP Secretary-Treasurer

THIRD-FOURTH AMENDED INTERLOCAL COOPERATION AGREEMENT

THIS IS THE THIRD FOURTH AMENDED INTERLOCAL COOPERATION AGREEMENT, made and entered into by and between members of the Utah Counties Insurance Pool, a political subdivision of the State of Utah, each of which hereby agrees to abide by the terms and conditions of this Amended Agreement and all actions taken pursuant hereto.

WITNESSETH:

WHEREAS, pursuant to the provisions of the Interlocal Cooperation Act, Utah Code Ann. §11-13-101 et. seq., 1953 as amended, the Governmental Immunity Act, § 63-30-1 et. seq., 1953 as amended, and the Utah Insurance Code, Utah Code Ann. § 31A-1-103, 1953 as amended, public agencies, including political subdivisions of the State of Utah as therein defined, are authorized to enter into written agreements with one another for joint or cooperative action to establish a public agency insurance mutual; and

WHEREAS, the governing bodies of counties located in the State of Utah, by entering into an Interlocal Cooperation Agreement, formed the Utah Association of Counties Insurance Mutual, which began operations on or about January 1, 1992, as a public agency insurance mutual: and

WHEREAS, the governing bodies of the members of the Utah Association of Counties Insurance Mutual, on or about August, 21, 2003, amended the original Interlocal Cooperation Agreement, making various corrections and updating references; and

WHEREAS, the governing bodies of the Mmembers of the Utah Association of Counties Insurance Mutual amended the Amended Interlocal Cooperation Agreement, on or about June 2, 2006, changing the name of the Utah Association of Counties Insurance Mutual to the Utah Counties Insurance Pool; and

WHEREAS, the governing bodies of the Members of the Utah Counties Insurance Pool amended the Amended Interlocal Cooperation Agreement, on or about January 22, 2008, making various corrections and updating references; and

WHEREAS, the Mmembers of the Utah Counties Insurance Pool now desire to amend the Amended Interlocal Cooperation Agreement, by approving and adopting this ThirdFourth Amended Interlocal Cooperation Agreement;

NOW, THEREFORE, the parties do mutually agree as follows:

Section 1. EFFECTIVE DATE; DURATION.

This <u>Third Fourth</u> Amended Interlocal Cooperation Agreement shall become effective and shall enter into force, within the meaning of the Interlocal Cooperation Act, upon the submission of this <u>Third-Fourth</u> Amended Interlocal Cooperation Agreement to, and the approval and execution hereof by <u>rResolution</u>

of the governing bodies of each of the parties. The term of this ThirdFourth Amended Interlocal Cooperation Agreement shall be fifty (50) years, pursuant to Utah Code Ann. §11-13-204, 1953 as amended, unless renewed as permitted by law, or until earlier dissolved as provided herein.

Section 2. CREATION OF A SEPARATE LEGAL ENTITY.

The parties to this agreement through their respective governing bodies and pursuant to the provisions of Utah Code Ann. §11-13-203, 1953 as amended, hereby create a legal entity to be known as the Utah Counties Insurance Pool to provide the services described herein.

Section 3. PURPOSES.

This <u>Third-Fourth</u> Amended Interlocal Cooperation Agreement has been established and entered into between the members of the Utah Counties Insurance Pool (herein referred to as the Pool) for the following purposes:

- 1. To comply with the Utah Insurance CodeInterlocal Cooperation Act and other applicable laws of the State of Utah; and
- 2. To ratify the previous formation of a group-funded Pool to fund through joint self-insurance, reinsurance, excess insurance, or other lawful manner, certain liabilities of member Utah counties, as permitted by the Utah Insurance Code and determined by the Board, with the powers set forth in the Amended Bylaws of the Pool (herein referred to as the Amended Bylaws); and
- 3. To provide, through the Pool, certain claims and risk management services related to the liabilities so funded, and assist members in reducing and preventing such liabilities; and
- 4. To provide other services and functions as permitted by law and the Amended Articles of Incorporation of the Pool.

Section 4. MEMBERS.

- Membership in the Pool is limited to Utah counties and such other governmental entities allowed under its Amended Bylaws.
- 2.2) Members shall have such powers: and authorities as provided herein and as set forth in the Amended Bylaws. Such powers shall include, but not be limited to:
 - 3-a) Voluntarily dissolve the Pool, but only at a meeting at which a majority of all Mmembers, whether present at the meeting or not, vote in favor of the dissolution.

- 4.b) Amend the Bylaws Assess the Membership or the Articles of Incorporation—by a two-thirds vote of the Members present at a Membership mMeeting.
- c) Appoint or select members of the Pool Board of Trustees, in accordance with this Agreement, the Amended Bylaws and the Interlocal Cooperation Act.

Section 5. BOARD OF TRUSTEES.

4. The Pool shall be governed by a Board of Trustees. The Trustees shall have such powers and authorities as provided herein and as set forth in the Amended Bylaws.

- 1) The Board shall be comprised of thirteen persons in the following manner:
 - a) One Trustee, appointed by the governing body of Davis County, representing Davis County;
 - b) One Trustee, appointed by the governing body of Utah County, representing Utah County;
 - c) One Trustee, appointed by the governing body of Washington County, representing Washington County;
 - d) One Trustee, appointed by the governing body of Weber County, representing Weber County;
 - e) Two Trustees, elected by Member counties of the third class, representing counties of the third class;
 - One Trustee, elected by Member counties of the fourth class, representing counties of the fourth class;
 - g) One Trustee, elected by Member counties of the fifth and sixth class, representing counties of the fifth and sixth class;
 - h) Two Trustees, elected by all Member counties, representing all counties at large;
 - i) One Trustee, appointed by the Board, shall be a sheriff of a Member county, who serves as the Chair of the Law Enforcement Committee;
 - j) One Trustee, appointed by the Board, shall be the Chair of the Litigation Management Committee and;

- k) One Trustee, appointed by the Board, shall be the Chair of the Personnel Committee.
 - i) Trustees serving pursuant to subsections (e)-(h) shall be designated as "Elected Trustees" and serve four-year overlapping terms.
 - ii) Trustees serving pursuant to subsections (a)-(d) shall serve at the pleasure of the governing bodies of the Member.
 - iii) Trustees serving pursuant to subsections (i)-(k) shall serve for fouryear terms and may be reappointed to subsequent terms by the Board.
 - iv) A Trustee serving pursuant to subsection (i) shall serve a four-year term ending on December 31 in even numbered years between presidential elections.
 - v) Trustees serving pursuant to subsections (j) and (k) shall serve fouryear terms ending on December 31 of presidential election years.
- 2) No person convicted of a felony may serve as a Trustee.
- 3) Each Trustee shall be an elected or appointed officer or an employee of a Member.
- 4) Election of Trustees shall take place at the annual Membership Meeting.

 Elected Trustees shall assume office at the first Board meeting of the calendar year following their election.
- 5) The Board of Trustees shall elect a Nominating Committee from its members.

 The Nominating Committee shall solicit nominations for available elected

 Trustee positions in accordance with the Amended Bylaws.
- 6) A vacancy shall occur on the Board when a Trustee:
 - a) Submits a written resignation to the Board; or
 - b) Dies; or
 - c) Is no longer an elected or appointed officer or employee of a Member; or
 - d) Fails to attend three consecutive regular meetings of the Board without the Board having excused such absences except that such additional absence or absences shall be excused for temporary mental or physical disability or illness; or
 - e) Is removed by the Members by a two-thirds vote of the Members present at a Membership Meeting; or

- f) Is convicted of a felony; or
- g) The Member of which the Trustee is an official or employee terminates their membership in the Pool.
- 7) Any vacancy in the position of an Elected Trustee may be filled by majority vote of the remaining Trustees until the next annual meeting of the Members, at which time the Members shall elect a person to fill the vacancy for the unexpired term.
- 8) Any vacancy in the position of an appointed Trustee under Article 5.1(a)-(d) shall be filled by appointment from the respective county and the Trustee shall serve for the remainder of the unexpired term. If the county is no longer a Member, the Trustee position shall revert to an at large position, adding to the number of such positions under Section 5.1(h), and be filled by a majority vote of the remaining Trustees until the next annual meeting of the Members, at which time the Members shall elect a person to fill the vacancy.
- 9) Any vacancy in the position of an appointed Trustee under Article 5.1(i)-(k) shall be filled by majority vote of the remaining Trustees and shall fill the unexpired term of the Trustee.
- 10) To the extent permitted by law, Trustees may be reimbursed for expenses incurred in the performance of their duties, as authorized by the Board.
- 11) Each Trustee must be a resident of the State of Utah.
- 1.Trustees shall be elected or appointed as provided in the Amended Bylaws and they shall serve at the pleasure of the members. Trustees may be removed by the members in accordance with the Amended Bylaws.
- 3.12) The powers of the Board shall include, but not be limited to, the powers to:
 - <u>a.a</u>)Delegate, by resolution adopted at a meeting of the Trustees and specifically defined in the written minutes of the Trustees' meetings, authority for specific functions to the Chief Executive Officer, but only to the extent permitted by the laws of the State of Utah and the Amended Bylaws.
 - <u>b.b</u>)Establish <u>Member contributions, including premiums and service fees, pursuant to guidelines adopted by the Board from time to time.</u>
 - e.c) Serve as the policyholder of any group policies or plans.
 - d.d) Determine the methods of claim administration and payment; provide for claim experience for the Members collectively or separately; and

- establish claim procedures and conditions to be met prior to the payment or defense of a claim.
- e.e) Jointly self-insure or obtain reinsurance or excess insurance (specific or aggregate), or any combination thereof, or otherwise provide for the funding of coverages and adopt and adjust coverages provided by or through the Pool, as the Board deems appropriate.
- Establish employment policies for the employees of the Pool including but not limited to policies, salaries and benefits.
- Provide for the administration of the moneys of the Pool, for the manner of payments to the Pool, and for payment of all expenses of the Pool; establish standards for the accountability of all receipts and disbursements of the Pool; and establish procedures for safekeeping, handling, and investing such monies received or paid.
- Acquire, lease, hold, and dispose of real and personal property.
- <u>i-i)</u> Exercise the full power and authority of any Member of the Pool when requested to do so by the Member's governing body.
- Provide for necessary activities, and enter into contracts as necessary or appropriate to accomplish the purposes of the Pool.
- Like Do any act permitted by law and not in conflict with the Amended Interlocal Cooperation Agreement or the Amended Bylaws, the Agreement, or the Amended Articles of Incorporation of the Pool.
- Provide for an independent audit of the financial statements and operations of the Pool, including claim handling procedures, handling of receipts and payments, investments, adequacy of reserves, compliance with financial reporting requirements and overall operations of the Pool, at such times as the Board may determine.
- m.m) Establish loss reduction, prevention and risk management policies, procedures, and requirements for Members of the Pool and provide risk management services and educational and other programs related to risk management.
- n.n) Create various Committees of the membership including, but not limited to, a Law Enforcement Committee, a Personnel Committee, and a Litigation Management Committeeto assist in the oversight and operation of the Pool. The members of such Committees, including the chair, shall be appointed by the Board.

- Approve a list of attorneys or law firms authorized to represent Members in claims covered by or through the Pool.
- Obtain the services of agents, attorneys, brokers, consultants, employees, and service providers as necessary or appropriate for the operation of the Pool.
- q) Terminate a Member from the Pool as provided for in the Amended Bylaws.
- r) Create levels of membership within the Pool to provide for appropriate representation and control. Levels of membership may include, but are not limited to, voting and non-voting members and equity and non-equity members.
- s) Amend the Bylaws by a two-thirds vote of all Board members.
- <u>e.t.</u>) Exercise all powers of the Pool except those powers reserved to the Members, and all powers necessary and proper for the operation of the Pool and implementation of the Pool, subject to the limits of the Agreement, the Amended Articles of Incorporation, the Amended Bylaws, and the <u>Utah</u> Code. The Board is responsible for all operations of the Pool.

Section 6. OFFICERS.

The Board of Trustees shall elect officers and establish the duties of officers of the Pool in accordance with Utah law and the Amended Bylaws.

Section 7. COMMITTEES.

The Board of Trustees may establish from time to time such committees of the Board as shall be deemed appropriate by said Board.

Section 8. MANNER OF FINANCING.

- (1) The Utah Counties Insurance Pool shall be funded by contributions in the form of premiums or service fees, from the Mmembers:
 - (a) ; tThe amount of such contributions shall be established by the Board of Trustees and consistent with the Utah Insurance Code.
 - (b) Premiums established by the Board may be audited and additional premium charged based on the rate used to establish the original premium.
 - (c) The Board may not charge assessments to the Members unless the

Membership has voted to charge such assessment.

- (2) All monies of the Pool, and earnings thereon, shall be held in the name of and for the use and benefit of the Pool.
- (3) The Board of Trustees shall prepare an annual budget consistent with Utah Code Ann. 17A-1-408 et. seq., as amended.

The Utah Counties Insurance Pool is not assessable.

Section 9. PROPERTY USED IN COOPERATIVE UNDERTAKING.

- (1) Any real or personal property acquired, held, and used pursuant to this cooperative undertaking shall be administered and controlled by the Board of Trustees established in Section 5 hereof. Any disposition of said real or personal property shall also be administered and controlled by said Board of Trustees, pursuant to the terms of this Agreement.
- (2) The provisions of this Amended Agreement and the assets of the Pool are for the benefit of the Mmembers of the Pool only, and no other persons or entities shall have any rights or interest in this Agreement or in any of the other documents referred to herein or in any such assets, as a third party beneficiary or otherwise. The assets of the Pool shall not be subject to attachment, garnishment, or any equitable proceeding.
- (3) In the event of a voluntary dissolution of the Pool, as provided in Section 4 hereof, the property of the Pool not used or needed for the purposes of the Pool, including its contractual obligations, shall be distributed, as determined by the Board, only to Utah counties which are Mmembers of the Pool at the time of dissolution. Such dissolution shall be handled as provided in Section 12.

Section. 10. ADDITION OF OTHER MEMBERS.

Other governmental entities may become parties to this Third-Amended Interlocal Cooperation Agreement, subject to the approval of the Board of Trustees, by executing an Addendum to this Agreement.

- (1) In order for a governmental entity to be added to this Agreement by Addendum, the Addendum must be:
 - (a) must be Aapproved by the governing body of the governmental entity to be added; and
 - (b) the Addendum must be rReviewed as to form and compliance with applicable law by the attorney for the governmental entity to be added.

(2) Prior to becoming effective, this Amended Interlocal Cooperation Agreement and the Addendum shall be filed with the person who keeps the records of the public agency being added to this Agreement.

Section 11. WITHDRAWAL AND TERMINATION—OF PARTICIPATION.

- 1) Any Member may withdraw their participation in a line of coverage of the Poolfrom the Pool, but only at the end of a coverage periodPool fiscal year after giving the Board timely written notice of such withdrawal, pursuant to a resolution of the Member's governing body. Timely written notice of such withdrawal must be provided to the Board no later than 120 days day prior to the date the Member's coverage would otherwise renewintended date of withdrawal. The Board shall consider a timely written notice of withdrawal to be a final decision unless the notice is withdrawn rescinded by the Member no later than 90 days prior to the date the Member's coverage would otherwise renewintended date of withdrawal. The Board may, by a three-fourths vote and at its sole discretion, agree to permit an earlier date of withdrawal. A Member withdrawn from a line of coverage shall lose any voting rights inured as a result of participation in that line of coverage and any claim of title or interest to any asset of the Pool resulting from that line of business upon the effective date of that withdrawal with the exception of the right to payment of claims which occurred prior to withdrawal, or in the case of "claims made" coverage, the payment of claims made within the claims made reporting period adopted by the Board and in effect at the time of withdrawal.
- 2) Any member may terminate its membership in the Pool, but only at the end of a Pool fiscal year, after giving the Board timely written notice of such termination, pursuant to a resolution of the Member's governing body. Timely written notice of such termination must be provided to the Board no later than 120 days prior to the Member's intended date of termination. The Board shall consider a timely written notice of termination to be a final decision unless the notice is rescinded by the Member at least 90 days prior to the Member's intended date of termination. A terminating Member shall lose all voting rights and any claim of title or interest to any asset of the Pool upon the effective date of termination with the exception of the right to payment of claims which occurred prior to termination, or in the case of "claims made" coverage, the payment of claims made within the claims made reporting period adopted by the Board and in effect at the time of termination.

A withdrawn member shall lose all voting rights upon the effective date of withdrawal. Any claim of title or interest to any asset of the Pool, and any continuing obligation of the Pool to the member or of the member to the Pool, after the effective date of the member's withdrawal, shall end.

A member shall lose all voting rights upon termination of its membership. The terminating member shall lose any claim of title or interest to any asset of the Pool, and any continuing obligation of the Pool to the member or of the member to the Pool, after the termination of membership, shall end.

Section 12. DISSOLUTION AND DISPOSITION OF PROPERTY.

The Pool may be dissolved by a majority of the Members voting in favor of dissolution at a Membership mMeeting, whether present at the meeting or not. In the event of voluntary dissolution of the Pool, the assets of the Pool not used or needed for the purposes of the Pool, including its contractual obligations shall be distributed, as determined by the Board, only to Utah counties, which are Members of the Pool at the time of dissolution. The Members of the Pool at the time the vote is held to dissolve the Pool shall continue to be considered Members of the Pool until the final disposition of property and dissolution of the Pool is complete.

Upon partial or complete dissolution of the Pool by the Members, the Trustees shall determine all other matters relating to the disposition of property and dissolution of the Pool by a two-thirds vote of all Trustees.

Each member's interest in the property of the Pool shall be calculated as follows:

- 1. The sum of the contributions for all fund years for which the Mmember was a participant in the Pool divided by all contributions received by the Pool during its life, is the ratio used to calculate interest in Pool property other than equity, which is defined for these purposes as cash or cash equivalent assets of the Pool.
- 2. For equity calculation, the ratio of each Mmember's contributions to the total contributions shall be computed for each fund year. The Mmember's contribution ratio shall then be multiplied by the total surplus, less any borrowed surplus, attributable to a fund year as stated in the most recent monthly financial statement. A Mmember's total equity will be the sum of the yearly amounts for each fund year for which that Mmember was a participating Mmember in the Pool.
- 3. In the event that the surplus amount is a negative number, a Mmember's equity will be decreased using the same method of calculation as above.
- 4. In the event of a voluntary withdrawal or an involuntary termination of membership, the withdrawn or terminated Mmember shall lose and have no claim to any Pool property or assets. The property interest or and equity formerly attributed to that Mmember for each fund year shall be allocated to the remaining counties that were Mmembers during that year.

The Board shall serve as trustees for the disposition of property or funds,

payment of obligations, dissolution and winding up of the affairs of the Pool. Any vacancy on the Board after dissolution has begun shall be filled in accordance with the Bylaws.

Section 13. INDEMNIFICATION.

It is the intent of the Pool to provide the broadest possible immunity from personal liability to each trustee, officer, and employee of the Pool allowed by applicable laws of the State of Utah including, but not limited to, the Utah Governmental Immunity Act, the Utah Non-Profit Corporation and Co-operative Association Act and the Utah Insurance Code, as amended from time to time. The Pool shall defend and indemnify the trustees, officers and employees of the Pool against any and all expense, including attorney fees and liability expenses, sustained by them or any of them in connection with any suit or suits which may be brought against them involving or pertaining to any of their acts or duties to the fullest extent allowed by the laws of the State of Utah.

The Pool shall purchase liability or other appropriate insurance providing coverage for the trustees, officers and employees of the Pool. Nothing herein shall be deemed to prevent compromises of any litigation where the compromise is deemed advisable in order to prevent greater expense or cost in the defense or prosecution of such litigation.

Neither this Third-Fourth Amended Interlocal Cooperation Agreement nor any action of the governing body of a county in adopting this Third-Fourth Amended Interlocal Cooperation Agreement is intended to nor do they waive, nor shall they be construed as waiving, any immunity or limitation on liability provided to the Mmembers or their officers or employees by any law, including but not limited to any such immunity or limitation appearing in the Utah Governmental Immunity Act, and amendments thereto.

Section 14. FILING OF INTERLOCAL COOPERATION AGREEMENT.

Executed copies of this Third Amended Fourth Amended Interlocal Cooperation Agreement shall be placed on file in the office of the County Clerk of each of the Members to this Third Amended Fourth Amended Interlocal Agreement, and shall remain on file for public inspection during the term of this Third Amended Fourth Amended Interlocal Cooperation Agreement.

Section 15. JOINT AND SEVERAL LIABILITY

Except as provided herein, and to the extent of the financial contributions to the Pool agreed to herein or such additional obligations as may come about through amendments to this agreement or the Bylaws, no Member agrees or contracts herein to be held responsible for any claims made against any other Member. The contracting parties intend in the creation of the Pool to establish an organization to operate only within the scope herein set out and have not herein

created as between Member and Member any relationship of partnership, surety, indemnification, or responsibility for the debts of or claims against any other Member.

Section 165. AMENDMENTS.

This Third Fourth Amended Interlocal Cooperation Agreement may not be amended, changed, modified or altered except by an instrument in writing which shall be (a) approved by resolution of the governing body of each of the parties, (b) executed by a duly authorized official of each of the parties, (c) submitted to and reviewed by an authorized Attorney of each of the parties, as required by Utah Code Ann. §11-13-202.5(3), 1953 as amended, and (d) filed in the official records of each party.

Section 176. SEVERABILITY.

If any term or provision of the Third—Fourth Amended Interlocal Cooperation Agreement or the application thereof shall to any extent be invalid or unenforceable, the remainder of this Third—Fourth—Amended Interlocal Cooperation Agreement, or the application of such term or provision to circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and shall be enforced to the extent permitted by law. To the extent permitted by applicable law, the parties hereby waive any provision of law, which would render any of the terms of this Third Fourth Amended Interlocal Cooperation Agreement unenforceable.

Section 187. GOVERNING LAW.

All questions with respect to the construction of this Third—Fourth Amended Interlocal Cooperation Agreement, and the rights and liability of the parties hereto, shall be governed by the laws of the State of Utah.

Section 198. EXECUTION BY COUNTERPART.

This <u>Third</u> Amended Interlocal <u>Cooperation</u> Agreement may be executed in counterparts. The original of each executed <u>Third</u> Amended Interlocal <u>Cooperation</u> Agreement shall be filed with the Pool.

IN WITNESS WHEREOF, the parties have signed and executed this Third-Fourth Amended Interlocal Cooperation Agreement, after resolutions duly and lawfully passed, on the dates listed below:
Dated this day of, 200
BOARD OF COUNTY «FORM» «COUNTY»
By: «CHAIR», «COUNTY» «FORM» Chair
ATTEST:
By:
REVIEWED AND FOUND TO BE IN PROPER FORM AND COMPLIANCE WITH APPLICABLE LAW.
Rv:

«ATTORNEY», «COUNTY» Attorney

			*
			¥

AMENDED BYLAWS FOR THE UTAH COUNTIES INSURANCE POOL

These Amended Bylaws are adopted by the Board of Trustees of the Utah Counties Insurance Pool ("Pool") and entered into by and among Members of the Utah Counties Insurance Pool ("Pool")Pool, each of which hereby agrees to abide by the terms and conditions of these Amended Bylaws and all actions taken pursuant hereto.

ARTICLE 1. Authority.

These Bylaws are amended pursuant to the provisions of Paragraph 4 of Section 4 of the Amended Interlocal Cooperation Agreement.

2.1

These Bylaws may be amended and shall continue in effect for a period of fifty years from the adoption date of the original Bylaws, at which time, they shall terminate unless renewed as permitted by law, or until earlier dissolved as provided herein.

The Pool shall have all powers necessary or desirable to achieve the purposes of the Pool as set forth in the Agreement and these Bylaws.

ARTICLE 2. Definitions.

As used in these Bylaws, the following terms shall have the meaning hereinafter set out:

- 2.1 Administrator. The Board of Trustees of the Pool.
- <u>2.22.4</u> Agreement or Amended Agreement. The Amended Interlocal Cooperation Agreement for Utah Counties Insurance Pool.
- 2.3 Articles. The Articles of Incorporation of the Pool.
- <u>2.42.5</u> **Board of Trustees or Board.** The Board of Trustees of the <u>Utah Counties Insurance</u> Pool.
- 2.6 **Board Meeting.** A meeting of the Board of Trustees where a quorum is present and for which proper notice has been provided in accordance with Utah law.
- 2.52.7 Bylaws or Amended Bylaws. The Amended Bylaws for of the Utah Counties Insurance Pool.
- <u>2.62.8</u> Code. The Utah Code, including Utah Code Ann. Titles <u>11, 63G and 31A</u>, as amended from time to time.

- <u>2.72.9</u> County or Counties. One or more of the twenty-nine counties of the State of Utah.
- <u>2.82.10</u>**Chief Executive Officer.** The person designated by the Board of Trustees as Chief Executive Officer of the <u>Utah Counties Insurance</u> Pool.
- <u>2.92.11</u>**Member**. A county <u>or county related entity</u> that is a party to the Amended Interlocal Cooperation Agreement.
- <u>2.102.12</u> <u>Membership Meeting.</u> A meeting of the <u>Board of Trustees Members of the Utah</u>
 <u>Counties Insurance Pool</u> where a quorum is present and for which proper notice has been provided in accordance with <u>Utah lawthe Agreement and Bylaws</u>.
- 2.11 **Officer or Officers.** The President, Vice-President, or Secretary-Treasurer elected in accordance_with these Amended Bylaws.
- 2.12 **Pool.** Utah Counties Insurance Pool, an Interlocal entity.
- 2.13 **Representative.** The person designated pursuant to Article 4.5b to be a Member's official representative for the purposes of the Pool.
- 2.14 **Trustee.** A natural person elected or appointed in accordance with Article 5 of these Amended Bylaws to a Trustee position on the Board.

ARTICLE 3. PoolPurpose.

- 3.1The Pool is a public agency insurance mutual and a political subdivision of the State of Utah as provided by law.
- 3.23.1 The Pool is formed, financed, organized, and shall operate in accordance with the Agreement, and the provisions of these Bylaws and the Articles of Incorporation of the Pool.

3.2

- 3.3The Pool may sue and be sued, complain and defend, in its corporate name.
- 3.4The Pool is not assessable.
- 3.5These Bylaws may be amended and shall continue in effect for a period of fifty years from the adoption date of the original Bylaws, at which time, they shall terminate unless renewed as permitted by law, or until earlier dissolved as provided herein.
- 3.6The Pool shall have all powers necessary or desirable to achieve the purposes of the Pool as set forth in the Agreement, the Articles of Incorporation and these Bylaws.

ARTICLE 4. Members.

- 4.1 Membership in the Pool is limited to Utah counties and county related entities that properly enter into the Agreement.
- 4.2 Counties <u>and county related entities</u>, including former Members, may be admitted to the Pool after its formation only upon approval of the Board and subject to the conditions set out in the Agreement, these Bylaws and such additional conditions as the Board may from time to time require.
- 4.3 Member counties may obtain coverage through UCIP for entities, other than Children's Justice Centers, affiliated with the Member county pursuant to the following:
 - (a) With regard to entities such as special service districts and other political subdivisions, the Member county must have the following controls over the entity through the Member county's governing body:
 - i. The governing body of the Member county must approve and/or appoint 50% or more of the governing body of the entity; and
 - ii. The governing body of the Member county must appropriate 50% or more of the funding of the entity; and
 - iii. The governing body of the Member county must have the authority to hire and terminate the employees of the entity.
 - (b) With regard to special districts created for the purpose of passing through Mineral
 Lease Payments received by the State under the Mineral Lands Leasing Act (30
 U.S.C., Section 191), and allocated to the county, individual counties that have
 created these special service districts may cover such districts through UICP
 provided the following conditions are met:
 - i. The purpose of the special service district is to serve as a financial conveyance of the aforementioned mineral lease payments; and
 - ii. Funds conveyed through the special service district are expenses of the special district and are made by an operating department of the Member county with oversight exercised by the Member county's governing body.
 - (c) County health departments and multi-county health departments are eligible for coverage, either through the Member county or as a separate, nonvoting member, provided the organization of the health department is established under Title 26A of the Utah Code.
 - (d) A Member county may obtain liability coverage for Children's Justice Center Local Advisory Board members who do not serve due to public office upon the following conditions:
 - i. The Children's Justice Center is established under Chapter 5b of Title 67 of the Utah Code; and
 - ii. The Member county is the contracting public agency under 67-5b-104(e) of the Utah Code; and
 - <u>iii.</u> The Children's Justice Center Local Advisory Board member does not serve due to public office as provided for in 67-5b-105(1)(b) through (e);

and

- iv. The Children's Justice Center Bylaws authorize the Member county to remove any Board member who does not serve due to public office as provided for in 67-5b-105(1)(b) through (e) at any time and for any reason; and
- v. The Member county has provided UCIP a copy of the duly adopted bylaws with the language specified in subsection (d)(iv), and UCIP has acknowledged receipt of the bylaws.
- (e) Coverage through UICP may be obtained for non-profit corporations (those exempt from taxation under Internal Revenue Code 26 U.S.C. 501), municipalities or other political subdivisions, that contract to provide services to the Member county, subject to the following criteria being met:
 - i. The contract is for the benefit of, and is executed under the authority of the Member county; and
 - ii. The Member county is legally authorized to provide the service, function or facility which is the subject matter of the contract; and
 - iii. The Member county is obligated by the contract to provide insurance coverage to the other party to the contract; and
 - iv. A copy of the contract has been provided to the Pool.

4.3The Members shall have the power to:

- (a) Elect Trustees pursuant to Article 5 of these Bylaws.
- (b)Remove any Trustee from the Board by a two-thirds vote of the Members present at a meeting.
- (c) Voluntarily dissolve the Pool, but only at a meeting at which a majority of all Members, whether present at the meeting or not, vote in favor of the dissolution;
- (d)Amend the Bylaws by a two-thirds vote of the Members present at a meeting. Written notice of any proposed amendment shall be provided to each Member at least 30 days in advance of the vote thereon.
- (e)Assess the members of the pool by a two-thirds vote of the members present at a Membership Meeting.
- 4.4 Members shall meet at least once annually. A <u>meeting of the-Membership Meeting</u> may be called by the Board or President pursuant to a procedure to be established by the Board, or upon written request executed by at least 30 percent of the Members.
 - (a) Notice of any Member<u>ship M</u>meeting shall be mailed to each Member at least 15 days in advance.
 - (b) The President, Vice President, or Secretary-Treasurer of the Board shall preside at the Membership Mmeeting or the President's designee if no other Officer is

present at the meeting.

- (c) A majority of the Members shall constitute a quorum to do business.
- (d) Proxy voting shall not be allowed.
- (e) Each Member shall be entitled to one vote on each issue before the membership at any Membership Meeting, to be cast by its representative or alternative representative if the representative is unable to vote. The representative and alternative representative shall be designated by the Member in accordance with Article 4.5(b) of the Bylaws.
- (f) The location of meetings of Membership Meetings will be as determined from time to time by the Board.
- 4.5 Members shall have the obligation to:
 - (a) Pay promptly all premiums and other payments to the Pool at such times and in such amounts as shall be established in accordance with these Bylaws. Premiums and other contributions are due on or before the first day of January of the applicable fund year. Members making payments, or portions thereof, postmarked after January 31st shall be charged interest calculated at 2% above the Federal Prime Rate., including any interest and penalties for late payment as may be required by a policy adopted by the Board.
 - (b) Designate in writing a representative and one or more alternate representatives for the Members'hip -Mmeetings. Each representative and alternate representative must be an elected or appointed officer or employee of a Member and must be appointed by majority vote of the governing body or by the county executive or county mayor of the Member to be the Member's official representative for the purposes of the Pool. An alternate representative may exercise all the powers of a representative during a Membership Mmeeting, in the absence of the representative.
 - (c) Allow the Pool, its Chief Executive Officer, agents, contractors, employees and officers reasonable access to all facilities and records of the Member as required for the administration of the Pool and implementation of the Agreement, the Bylaws and policies of the Board.
 - (d) Cooperate fully with the Pool's attorneys, its Chief Executive Officer, and any other agent, contractor, employee or officer of the Pool in activities relating to the purposes and powers of the Pool.
 - (e) Provide information requested by the Pool, its Chief Executive Officer, and any other agent, contractor, employee or officer of the Pool, as reasonably required for

the administration of the Pool.

- (f) Allow the Pool, and attorneys and others designated by the Pool, to represent the Member in the investigation, settlement and litigation of any claim within the scope of loss protection furnished by or through the Pool and also to deny coverage for any claims settled by a Member or for any monies paid by a Member toward claims without the prior written approval of the Pool.
- (g) Follow the claims, loss reduction and prevention, and risk management policies and procedures established by the Board.
- (h) Report to the Pool, in the form and within the time required by the Board, all incidents or occurrences that could reasonably be expected to result in a covered claim to the Pool under the coverage agreement issued to the Member.
- (i) Report to the Pool, in the form and within the time required by the Board, the addition of new programs, facilities and exposures or the significant reduction or expansion of existing programs and facilities covered under the coverage agreement issued to the Member.
- (i) Adopt and maintain the following policies:
 - i. Sexual Harassment Policy; and
 - ii. Personnel Policy, including Employee Safety Accountability; and
 - iii. High-Speed Pursuit Policy; and
 - iv. Seat Belt Use Policy for all drivers of county vehicles; and
 - v. County Vehicle Use Policy including annual MVR checks, completion of defensive driving course by each driver at least once every five years, and restricting use of county vehicles where necessary; and
 - vi. A written policy restricting alcohol from being served at county owned facilities, including all facilities scheduled by the Member county and covered by UCIP, unless additional insurance has been obtained to cover the exposure created by selling and/or serving alcoholic products.

ARTICLE 5. Board of Trustees.

- 5.1The Board shall be comprised of thirteen persons in the following manner:
 - (a)One Trustee, appointed by the governing body of Davis County, representing Davis County;
 - (b)One Trustee, appointed by the governing body of Utah County, representing Utah County:
 - (c)One Trustee, appointed by the governing body of Washington County, representing Washington County;

- (d)One Trustee, appointed by the governing body of Weber County, representing Weber County;
- (e)Two Trustees, elected by member counties of the third class, representing Counties of the third class;
- (f)One Trustee, elected by member counties of the fourth class, representing counties of the fourth class;
- (g)One Trustee, elected by member counties of the fifth and sixth class, representing Counties of the fifth and sixth class;
- (h)Two Trustees, elected by all member counties, representing all counties at large;
- (i)One Trustee, appointed by the Board, shall be a sheriff of a member county, who serves as the Chair of the Law Enforcement Committee:
- (j)One Trustee, appointed by the Board, shall be the Chair of the Litigation Management Committee and:
- (k)One Trustee, appointed by the Board, shall be the Chair of the Personnel Committee.

Trustees serving pursuant to subsections (e) (h) shall be Designated as "Elected Trustees" and serve four year overlapping terms. Trustees serving pursuant to subsections (a) (d) shall serve for four year terms. Trustees serving pursuant to subsections (i) (k) shall serve for four year terms and may be reappointed to subsequent terms by the Board. A Trustee serving pursuant to subsection (i) shall serve a four year term ending on December 31 in even numbered years between presidential elections. Trustees serving pursuant to subsections (j) and (k) shall serve four year terms ending on December 31 of presidential election years.

- 5.2No person convicted of a felony may serve as a Trustee.
- 5.3Each Trustee shall be an elected or appointed officer or an employee of a Member.
- 5.4Election of Trustees shall take place at the annual meeting of the Members. Elected Trustees shall assume office at the first Board meeting of the calendar year following their election.
- 5.5The Board of Trustees shall elect three Trustees to serve on a Nominating Committee at the first Board meeting of each calendar year. The Nominating Committee shall solicit nominations for available elected Trustee positions. Any elected official of a Member or any Trustee may nominate eligible persons to run for available elected Trustee positions. Nominations will be received at the Pool office no later than 30 days prior to the meeting at which the election is scheduled. The Pool will verify that each nominee is willing to serve if elected before forwarding the nominations to the Nominating Committee. The

Nominating Committee shall review the nominations and select by a majority vote not more than three names to be placed on the ballot for each available elected Trustee position. A person may not be nominated and placed on the ballot for more than one available elected Trustee position. In the event that no nominations are received for one or more available elected Trustee positions, the President of the Board of Trustees can solicit nominations from the floor on the following conditions:

- (a) The nominee is eligible to serve as a Trustee under Articles 5.2 and 5.3; and
- (b)The nominee, if present, expresses a willingness to serve, or, if not present, the Pool has verified that the nominee has expressed in writing a willingness to serve.
- 5.6In the event of a tie vote for elected Trustee positions:
 - (a)If two nominees are running for the same elected Trustee position, the President of the Board of Trustees may conduct a coin toss when the votes are tied.
 - (b)If three nominees are running for the same elected Trustee position and two of the three nominees have an equal and highest number of votes, the President of the Board of Trustees may call for a revote between the two nominees receiving the equal number of votes.
- 5.7A vacancy shall occur on the Board when a Trustee:
 - (a)Submits a written resignation to the Board.
 - (b)Dies.
 - (c) Is no longer an elected or appointed officer or employee of a Member.
 - (d)Fails to attend three consecutive regular meetings of the Board without the Board having excused such absences except that such additional absence or absences shall be excused for temporary mental or physical disability or illness.
 - (e)Is removed by the Members pursuant to Article 4.3 of the Bylaws.
 - (f)Is convicted of a felony.
- 5.8Any vacancy in the position of an elected Trustee may be filled by majority vote of the remaining Trustees until the next annual meeting of the Members, at which time the Members shall elect a person to fill the vacancy for the unexpired term.
- 5.9Any vacancy in the position of an appointed Trustee under Article 5.1(a) (d) shall be filled by appointment from the respective county and the Trustee shall serve for the remainder of the unexpired term. If the county is no longer a member, the Trustee position shall revert to an at large position and be filled by a majority vote of the remaining Trustees until the

- next annual meeting of the Members, at which time the Members shall elect a person to fill the vacancy.
- 5.10Any vacancy in the position of an appointed Trustee under Article 5.1(i) (k) shall be filled by majority vote of the remaining Trustees and shall fill the unexpired term of the Trustee.
- 5.11To the extent permitted by law, Trustees may be reimbursed for expenses incurred in the performance of their duties, as authorized by the Board.
- 5.12Each Trustee must be a resident of the State of Utah.
- 5.13Subject to the limits described in Article 3.6 of the Bylaws, the powers of the Board shall include, but not be limited to, the powers to:
 - (a)Delegate, by resolution adopted at a meeting of the Trustees and specifically defined in the written minutes of the Trustees' meetings, authority for specific functions to the Chief Executive Officer, but only to the extent permitted by the laws of the State of Utah and these Bylaws.
 - (b) Establish premiums, pursuant to guidelines adopted by the Board from time to time.
 - (c)Serve as the policyholder of any group policies or plans.
 - (d)Determine the methods of claim administration and payment; provide for claim experience for the Members collectively or separately; and establish claim procedures and conditions to be met prior to the payment or defense of a claim.
 - (e)Jointly self-insure or obtain reinsurance or excess insurance (specific or aggregate), or any combination thereof, or otherwise provide for the funding of coverages and adopt and adjust coverages provided by or through the Pool, as the Board deems appropriate.
 - (f)Establish employment policies for the employees of the Pool including but not limited to policies, salaries and benefits.
 - (g)Provide for the administration of the moneys of the Pool, for the manner of payments to the Pool, and for payment of all expenses of the Pool; establish standards for the accountability of all receipts and disbursements of the Pool; and establish procedures for safekeeping, handling, and investing such monies received or paid.
 - (h)Acquire, lease, hold, and dispose of real and personal property.
 - (i)Exercise the full power and authority of any Member of the Pool when requested to do so by the Member's governing body.

- (j)Provide for necessary activities, and enter into contracts as necessary or appropriate to accomplish the purposes of the Pool.
- (k)Do any act permitted by law and not in conflict with these Bylaws, the Agreement, or the Articles of Incorporation of the Pool.
- (I)Provide for an independent audit of claim handling procedures, payments, and overall operations of the Pool, at such times as the Board may determine.
- (m)Establish loss reduction, prevention and risk management policies, procedures, and requirements for Members of the Pool and provide risk management services and educational and other programs related to risk management.
- (n)Create various Committees including, but not limited to, a Law Enforcement Committee, a Personnel Committee, and a Litigation Management Committee. The members of such Committees, including the Chair, shall be appointed by the Board.
- (o)Approve a list of attorneys or law firms authorized to represent Members in claims covered by or through the Pool.
- (p)Obtain the services of agents, attorneys, brokers, consultants, employees, and service providers as necessary or appropriate for the operation of the Pool.
- (q)Exercise all powers of the Pool except those powers reserved to the Members, and all powers necessary and proper for the operation of the Pool and implementation of the Pool, subject to the limits of the Agreement, the Articles of Incorporation, Bylaws, and the Code. The Board is responsible for all operations of the Pool.

5.145.13 The Board shall:

- (a) Perform all duties required by Utah law, the Agreement, the Articles, and these Bylaws.
- (b) Obtain and provide to Members at least annually an audit of the finances of the Pool performed by an independent certified public accountant.
- (c) Provide for at least quarterly financial statements to account for income, expenses, assets and liabilities of the Pool.
- (d) Provide at least annually for an actuarial review of the Pool.
- (e) Adopt a budget annually and report the budget to the Members.
- (f) Require that fidelity bonds or appropriate insurance, in an amount to be determined by the Board, be in effect for employees of the Pool, and every other

- person having access to moneys of the Pool.
- (g) Appoint an Audit Committee to review the financial statements, actuarial analysis, make recommendations to the Board on the financial affairs of the Pool, and make an annual report to the members regarding the financial affairs of the Pool.
- (h) Adopt and maintain an investment policy as an addendum to these bylaws to state the manner in which funds of the Pool may be invested.
- (i) Adopt and maintain a Coverage Addendum as an addendum to these bylaws to state the manner in which Members will be indemnified from the assets of the Pool.
- (j) Exercise their responsibility to the Pool and Member counties in the following way:
 - i. First, to the mission of the Pool, to maintain financial and managerial integrity, and to serve all counties fairly;
 - ii. Second, to express the needs and concerns of the counties that Board Member represents.
- Members of the Board of Trustees will be reimbursed for reasonable and approved expenses incurred in attending Board meetings and in otherwise carrying out their responsibilities. UCIP will reimburse Trustees for in-state travel by private vehicle at the rate allowed by the Internal Revenue Service at the time of travel, as well as for lodging and meals at actual cost, within the guidelines for travel and expense reimbursement adopted by the State of Utah Department of Finance. For Trustees attending out-of-state conferences and business meetings as approved by the Board UICP will pay directly the registration, airfare and lodging expenses for the dates of the conference or meeting and up to two travel days for Trustees arranging travel through the UCIP office. Trustees will be paid per diem for out-of-state meals and incidental expenses for each day of the training and travel day(s) pursuant to the rates published by the Office of Government Policy, General Services Administration. Trustees will also be compensated for necessary transportation expenses between the airport and lodging. Receipts for airfare, lodging and necessary transportation, paid by the Trustee, are required for reimbursement. A written statement by the Trustee will be required in place of a lost receipt. Reimbursement is made based on the least expensive reasonable method of travel. Expenses for spouses who accompany Trustees to UCIP meetings or to approved out-of-state training are the responsibility of the Trustee. UCIP will invoice Trustees for any spouse expenses paid by UCIP. However, there will be no charge for spouses attending the UCIP Annual Membership meeting functions and at business meals hosted by the Chief Executive Officer. Requests for reimbursement shall be submitted within 60 days of completion of a trip.

ARTICLE 6. Officers, Meetings, Procedures.

6.1 The principal offices of the Board shall be: president, vice-president and secretary-treasurer. The principal offices shall be held by three separate natural persons. Officers

shall be elected by and from among the Trustees, at the first Board meeting following each annual meeting of the Members. The Board shall establish the powers and duties of each officer, consistent with these Bylaws, and the Agreement—and the Articles of Incorporation of the Pool. All Members of the Board shall have full voting rights. The president shall preside over meetings of the Board and of the Members and shall perform such other duties as may be prescribed from time to time by the Board and the Members. The vice-president shall exercise the powers of the president in the absence of the president, and the secretary-treasurer shall exercise the powers of the president in the absence of the president and vice-president.

- The Board shall fix the date, time and place of regular meetings that are scheduled in advance over the course of a year. Meetings may be called by the president, or by any five Members of the Board, by written notice mailed at least ten days in advance to all Trustees or by unanimously executed waiver of notice. Emergency meetings of the Board may be held to consider matters of an emergency or urgent nature, after an attempt has been made to notify all Board Members and a majority votes in the affirmative to hold the meeting. Notice, including public notice, of all meetings and the agenda shall comply with applicable laws of the State of Utah.
- 6.3 Seven Trustees shall constitute a quorum to do business. All actions of the Board shall require a quorum and a majority vote of the Trustees present, except where a different vote is required by these Bylaws.
- 6.4 The Board shall adopt such <u>policies and procedures</u> as it deems necessary or desirable for the conduct of its business.
- Any or all Trustees may participate in any meeting of the Board by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence at the meeting.
- 6.6 The Board shall establish its own rules of order that are not in conflict with the laws of the State of Utah, the <u>Articles Agreement</u>, and other specific provisions of these Bylaws.
- 6.7 A Trustee's position may be declared vacant by official action of the Board of Trustees when the Trustee has accumulated two consecutive unexcused absences at duly called meetings for which the Trustee has received notification. Excused absences will be granted only with advance notice received by the UCIP offices prior to the Board meeting and approved by formal action of the Board.

ARTICLE 7. Financing.

7.1 All monies of the Pool, and earnings thereon, shall be held in the name of and for the use and benefit of the Pool.

- 7.2 The Board shall establish Member premiums pursuant to guidelines established by the Board from time to time.
- 7.3 Surplus of the Pool shall be attributable to the Members as equity. Equity in the Pool shall be used to satisfy the surplus requirements established by the Board and any applicable regulation, and next to repay the debentures after which refund of surplus to Members may be considered. Any refund of surplus moneys shall be consistent with policies adopted by the Board.
- 7.4 Investments of monies of the Pool shall be limited to those investments permitted by the State Money Management Act, Utah Code Ann. §51-7-1 et seq. (2002), as amended.
- 7.5 Member equities in UCIP shall be calculated as follows:
 - (a) The ratio of each member's contributions to the total contributions shall be computed for each fund year.
 - (b) The member's contribution ratio shall be multiplied by the total surplus, (less any borrowed surplus), attributable to a fund year as stated in the most recent monthly financial statement. A member's total equity will be the sum of the yearly amounts for each fund year for which that member was a participating member in UCIP.
 - (c) In the event that the surplus amount is a negative number, a members's equity will be decreased using the same method of calculation as above.
 - (d) In the event of a withdrawal or termination of membership, the withdrawn or terminated member shall lose and have no claim to any equity in UCIP. The equity formerly attributed to that member for each fund year shall be allocated to the remaining counties who were members during that fund year.
 - (e) The Board of Trustees in its sole discretion shall determine if and when equity is distributed.

ARTICLE 8. Withdrawal and Termination from the Pool.

Any Member may withdraw from the Pool, at the end of a coverage period after giving the Board timely written notice of such withdrawal, pursuant to a resolution of the Member's governing body. Timely written notice of such withdrawal must be provided to the Board no later than 120 days day prior to the date the Member's coverage would otherwise renew. The Board shall consider a timely written notice of withdrawal to be a final decision unless the notice is withdrawn by the Member 90 days prior to the date the Member's coverage would otherwise renew. The Board may, by a three fourths vote and at its sole discretion, agree to permit an earlier date of withdrawal.

8.1A withdrawn Member shall lose all voting rights upon the effective date of withdrawal. Any claim of title or interest to any asset of the Pool, and any continuing obligation of the Pool to the Member or of the Member to the Pool, after the effective date of the Member's withdrawal, shall be consistent with these Bylaws, the Agreement and any policy adopted by the Board, and the laws of the State of Utah.from a line of coverage, or terminate its

8.2Any Member who chooses to withdraw from participation in any single line of coverage must provide timely written notice to the Board. Written notice of withdrawal from any single line of coverage must be made within 120 days prior to the renewal date.

ARTICLE 9. Involuntary Termination of Membership.

- 9.1 The Board shall terminate Aa Member that fails to pay a premium contribution due the Pool shall have its membership in the Pool terminated at 12:00 a.m. MST on the sixtieth day following within sixty days of the due date, unless time for payment is extended by the Board and payment is made within any the extended period. A notice of failure to pay a premium due the Pool shall be mailed to the Member at least 30 days prior to the date of termination. Coverage and payment of claims shall terminate effective the first date for which the unpaid contribution was calculated for. If the unpaid contribution is additional contribution resulting from an audit, Coverage and payment of claims shall terminate effective on a date calculated on a pro-rata basis of the unpaid premium to the premium paid for the audit period. A termination of membership under this paragraph shall not be subject to the provisions of Article 9.2.
- 9.2 Any membership in the Pool may be terminated by the Board or by a three-fourths vote of the Members for failure of the Member to carry out any other obligation of the Member, subject to the following:
 - (a) The Member shall receive written notice from the Board of the alleged failure and shall be given not less than 30 days in which to correct the alleged failure, along with notice that termination of membership could result if the failure is not corrected.
 - (b) The Member may request a hearing before the Members at a membership meeting prior to the termination. The request shall be made in writing to the Board at least ten business days before the end of the period given by the Board to correct the alleged failure. The Board shall present the case for termination of membership at the hearing and the affected Member may present its case. The affected Member shall not be counted in determining the number of votes required, nor shall the representative of such Member be entitled to vote on the termination.
 - (c) If a request is not received pursuant to Article 9.2(b) of the Bylaws and if the failure is not corrected within the time required by the Board's notice, or any extension of such time as the Board may grant, the Board may terminate the membership. The Member may request a hearing before the Board on the proposed termination in lieu of a hearing before the Members. The request shall be made in writing and received by the Board at least five days before the end of

- the period given by the Board to correct the alleged failure, and shall be granted if so made.
- (d) The Board shall provide the Member at least ten days prior written notice of the time and place of any requested hearing, and the proposed termination of membership may not take effect until such time after the conclusion of any hearing as the Board or Members, as applicable, may set.
- 9.3 Termination of membership shall be in addition to any other remedy that may exist.
- 9.4A Member shall lose all voting rights and any claim of title or interest to any asset of the Pool upon involuntary termination of its membership. The terminating Member shall lose any claim of title or interest to any asset of the Pool, and any continuing obligation of the Pool to the Member or of the Member to the Pool, after the termination of membership, shall end. Coverage and payment of claims after the effective date of a Member's withdrawal or termination shall be consistent with the Agreement and these Bylaws.

ARTICLE 10. Dissolution and Disposition of Property.

- 10.1 The Pool may be dissolved by the Members as provided in Article 4 and in the Agreement. In the event of voluntary dissolution of the Pool, the assets of the Pool not used or needed for the purposes of the Pool, including its contractual obligations, shall be distributed, as determined by the Board, only to Utah counties, which are Members of the Pool at the time of dissolution. The Members of the Pool at the time the vote is held to dissolve the Pool shall continue to be considered Members of the Pool until the final disposition of property and dissolution of the Pool is complete.
- 10.2 Upon partial or complete dissolution of the Pool by the Members in accordance with Article 4 of the Bylaws and the Agreement, the Trustees shall determine, consistent with these Bylaws, all other matters relating to the disposition of property and dissolution of the Pool by a two-thirds vote of all Trustees.
- 10.3 The Board shall serve as trustees for the disposition of property or funds, payment of obligations, dissolution and winding up of the affairs of the Pool. Any vacancy in the position of an elected Trustee after disposition of the Pool has begun may be filled by majority vote of the remaining Trustees until the next annual meeting of the Members, at which time the Members shall elect a person to fill the vacancy for the unexpired term.

ARTICLE 11. Liability of Board, Officers and Employees.

11.1 It is the intent of the Pool to provide the broadest possible immunity from personal liability to each Trustee, officer, and employee of the Pool allowed by applicable laws of the State of Utah including, but not limited to, the Governmental Immunity Act, the Corporations Code and the Insurance Code, as amended from time to time. The Pool

shall defend and indemnify the Trustees, officers and employees of the Pool against any and all expense, including attorney fees and liability expenses, sustained by them or any of them in connection with any suit or suits which may be brought against them involving or pertaining to any of their acts or duties to the fullest extent allowed by the laws of the State of Utah. The Pool shall purchase liability or other appropriate insurance providing coverage for the Trustees, officers and employees of the Pool. Nothing herein shall be deemed to prevent compromises of any litigation where the compromise is deemed advisable in order to prevent greater expense or cost in the defense or prosecution of such litigation.

ARTICLE 12. Arbitration.

- 12.1 To the extent permitted by any applicable reinsurance or excess insurance, if the Board or its authorized representative and a Member disagree on whether a loss is covered through the Pool or on the amount of a covered loss, the Board or its authorized representative or the Member may request that the disagreement be submitted to binding arbitration as follows:
 - (a) Unless otherwise agreed by the Board or its authorized representative and the Member, three persons shall be selected for the arbitration panel, one by the Board or its authorized representative, one by the Member, and one by the two so selected to act as umpire to decide the items upon which the other two disagree. If the two so selected fail for fifteen days to agree upon the umpire, the dispute of coverage shall be submitted to the American Arbitration Association for arbitration pursuant to their standard rules and regulations.
 - (b) The decision of the panel shall be binding on the Board or its authorized representative and the Member.
 - (c) The Pool shall pay the fees and expenses of the panelist selected by the Board or its authorized representative, the Member shall pay the fees and expenses of the panelist selected by it, and the fees and expenses of the umpire shall be shared equally by the Pool and the Member.

ARTICLE 13. General Provisions.

13.1Except as provided in these Bylaws and to the extent of the financial contributions to the Pool agreed to herein or such additional obligations as may come about through amendments to these Bylaws, no Member agrees or contracts herein to be held responsible for any claims made against any other Member. The contracting parties intend in the creation of the Pool to establish an organization to operate only within the scope herein set out and have not herein created as between Member and Member any relationship of partnership, surety, indemnification, or responsibility for the debts of or

claims against any other Member.

- The laws of Utah shall govern the interpretation and performance of these Bylaws.
- In the event that any portion of these Bylaws is held invalid or unenforceable, such invalidity or unenforceability shall not affect other portions, and these Bylaws are expressly declared to be severable.
- 13.413.3 These Bylaws do not relieve any Member of any obligation or responsibility imposed upon it by law except to the extent that actual and timely performance thereof by the Pool satisfies such obligation or responsibility.
- <u>13.513.4</u> All moneys received by the Pool are public funds, including earned interest, derived from its Members, which are counties <u>and county related entities</u> within the State of Utah.
- 13.613.5 It is the intention of the Members that the Pool and any income of the Pool not be subject to taxation. The Board and the Members shall cooperate in such respects, including amending these Bylaws, as reasonably necessary to establish and maintain the non-taxable status of the Pool.
- <u>13.713.6</u> Except as permitted in these Bylaws, <u>the Agreement</u> and amendments <u>thereto</u>, neither the Board nor any other person or entity is authorized to incur liabilities or obligations or enter into contracts on behalf of the Members.
- 13.813.7 In the event of the payment of any loss by the Pool under this Agreement, the Pool shall be subrogated to the extent of such payments to all the rights of the Member against any other person or other entity legally responsible for damages for such loss, and in such event the Member agrees to render all reasonable assistance to effect recovery.

ARTICLE 14. CONFLICT OF INTEREST AND DISCLOSURE

- 1) Board Members and Chief Executive Officer shall not request, receive, or accept a gift or loan for themselves or another if:
 - a) It tends to influence the Board Members or Chief Executive Officer in the discharge of his or her official acts as a Board Member or Chief Executive Officer; or
 - b) She/he within two years has been involved in any official act directly affecting the donor or lender or knows that he/she will be involved in any official act directly affecting the donor or lender in connection with his or her membership on the Board or as the Chief Executive Officer.
- 2) The prohibition set forth in Section 1 above shall not apply to:
 - a) An occasional nonpecuniary gift, insignificant in value; or
 - b) An award publicly presented in recognition of public service; or
 - c) A commercially reasonable loan made in the ordinary course of business by an institution authorized by the laws of the state to engage in the business of making loans; or
 - d) A political campaign contribution, provided that such gift or loan is actually used in a

- political campaign and is subject to Utah law regarding such gift or loans.
- 3) Board Members shall disqualify themselves from participating in any official action of the Board that affects a business in which that Board Member has a financial interest as defined in Sections 67-16-8 and 67-16-9 Utah Code Annotated 1953 as amended.
- 4) Board Members shall not acquire a financial interest at a time when they believe or have reason to believe that it will be directly affected by their official action on the Board.
- 5) Board Members and the Chief Executive Officer shall not use or divulge to any person confidential information acquired by virtue of their membership on, or participation with, the Board for their or another's private gain. Confidential information for the purpose of this paragraph shall be defined as all information disclosed or discussed in any meeting of the Board which is confidential under law, statute or practice and which is otherwise not available to the public.
- 6) The Chief Executive Officer of the Pool and each Board Member shall complete a disclosure form provided by the Pool at the first meeting of the Board during each fund year. That completed form shall affirm the person's awareness of this bylaw requirement and either state that no described conflicts exist, or make all required disclosures.
- 7) The information on the disclosures, except for the valuations attributed to the reported interests, shall be made available by the Secretary of the Board for inspection by any UCIP Member county representative. The valuation shall be confidential for all purposes except for proceedings for violation of the disclosure requirement of these bylaws.

Article 15. Conflict of Interest of Defense Counsel

- 1) Attorneys listed on the UCIP Defense Attorney list shall not represent any plaintiff in any civil action in which any defendant is a UCIP Member.
- 2) Attorneys employed by, or associated with law firms listed on the UCIP Defense Attorney List shall not represent any party in a civil action adverse to any person or entity covered by UCIP.
- 3) Attorneys employed by, or associated with, law firms listed on the UCIP Defense Attorney

 List shall not represent any defendant in a criminal action prosecuted by the County

 Attorney's Office of any Member County.
- 4) Conflicts as described above may be waived only after full disclosure to, and written agreement of, the involved Member and UCIP.

Dated this	6	day of	December	, 2007.
By: <u>M.h.</u>	pm-l	enen		
Print Name:	M. L	ynn Lemon		
Title: Presid	lent			

ATTEST:

By: Sters Chall
Print Name: Steven C. Wall
Title: Secretary-Treasurer
Date: 6 December 2007

B. Limits of Coverage

1. **PROPERTY**

Coverage:	Property, including building, contents, business
Coverage.	interruption, mobile equipment, EDP, auto physical
	damage, etc.
Limit:	\$500,250,000 each Occurrence. Total Insured Values
Diffit.	as scheduled with the Pool. Loss limit per Occurrence
	The state of the s
Valuation:	(see Earthquake and Flood exceptions below).
valuation.	Replacement cost As scheduled with the Pool; vehicles
	and contractors' equipment are ACV (Actual Cash
Auto Plancical Dana	Value); time element is actual loss sustained.
Auto Physical Damage:	Values as scheduled with the Pool included (\$1,000
A 1 1	deductible).
Accounts Receivable:	\$\frac{10,000,0001,000,000}{1,000,000} \text{ in any one Occurrence.}
Building Ordinance:	\$\frac{100,000,000}{1,000,000}\$ Including demolition and
	increased cost of construction.
Business Interruption:	\$\frac{10,000,000}{1,000,000} \text{ direct contingent/extra expense}
	(excluding Earthquake and Flood).
	\$ 10,000,000 1,000,000 in any one Occurrence .
Course of Construction:	\$ 25,000,000 250,000 Including soft costs (actual values
	must be reported within 120 days).
Debris Removal:	\$ 25,000,000 250,000 or 25% of loss, whichever is less,
	in any one Occurrence.
Decontamination Costs:	\$ 5,000,000 50,000 in any one Occurrence .
Deferred Payments:	\$1,000,000100,000 in any one Occurrence.
Earthquake:	\$ 10,000,000 1,000,000 annual aggregate non-critical
EDP Equipment/Media:	\$25,000,000250,000 or per schedule any one
4	Occurrence.
Equipment Breakdown:	\$\frac{100,000,000}{1,000,000} \text{ in any one Occurrence.}
Errors and Omissions:	\$ 25,000,000 250,000 in any one Occurrence.
Evacuation Expense:	\$ 1,000,000 10,000 (only when actual loss occurs at a
	Member's location).
Expediting Expense:	\$ 5,000,000 50,000 in any one Occurrence .
Extra Expense:	\$ 10,000,000 100,000 in any one Occurrence.
Extended Period of Indemnity:	\$10,000,000100,000 (lesser of actual loss sustained for
	180 consecutive days).
Fine Arts:	\$ 5,000,000 50,000 (objects over \$ 250,000 2,500 must be
*	scheduled and are limited to the reported value).
Flood:	\$\frac{10,000,000}{1,000,000}\text{ annual aggregate Flood Zone}
1004.	Non-Critical. \$\frac{1,000,000}{1,000,00010,000} annual aggregate
	Flood Zone A and B 100 year zones)
	\$25,000,000250,000 (lesser of actual covered loss or
-	expense sustained for 30 consecutive days) five mile
	limitation.
	\$25,000,000250,000 (lesser of actual loss sustained for
The state of the s	
	30 consecutive days) subject to a five mile limitation.
_	\$\frac{1,000,000}{100,000}\$ (limited to \$\frac{15,000}{1,500}\$ any one
	item).

					}
					*
	*				

Company of the control of the contro	
Leasehold Interest:	\$25,000,000250,000 in any one Occurrence.
Loss of Rents:	\$25,000,000250,000 in any one Occurrence.
Mobile Equipment:	Values included.
Mobile Medical Equipment:	\$1,000,00010,000 in any one Occurrence.
Newly Acquired Property:	\$ 25,000,000 250,000 automatic coverage 120 day
	limitation, then covered under Unnamed Locations.
Pollutant Cleanup and Removal:	\$ 100,000 1,000 annual aggregate.
Power/Service Interruption:	\$25,000,000250,000 off premises property damage and
7.	time element combined (including transmission
	facilities, excluding transmission and distribution lines
	in excess of one mile).
Professional Fees:	\$ 1,000,000 10,000 in any one Occurrence .
Property in Transit:	\$ 2,000,000 20,000 (property damage and time element
	combined).
Tax Treatment of Profits:	\$ 1,000,000 10,000.
Temporary Removal:	Included (except \$1,000,00010,000 for removal for the
	purpose of being repaired or serviced).
Terrorism:	\$250,000,000250,000 in any one Occurrence (certified
	and non-certified).
Unnamed Locations:	\$ 250,000 25,000 at any one Location.
Valuable Papers:	\$ 25,000,000 250,000 including records and EDP media.
Watercraft in or out of Water:	Scheduled value (over 26 feet excluded).
Maintenance Deductible:	\$500 per Occurrence (except auto physical damage =
	\$1000).
Major Property Exclusions	Asbestos Removal (except as a result of named peril).
(see Coverage Agreement for details):	Land & Water.
	Transmission & Distribution Lines (except as noted in
	the property section of the Coverage Agreement).
_*	Street &/or roadways, paved surfaces, bridges.

3

2. CRIME COVERAGES

Coverage:	Crime and Employee I	Dishonesty
Form	Limit	Terms
Money & Securities	\$ 1,750,000 175,000	Each and every loss
(in premises):		
Money & Securities	\$1,750,000175,000	Each and every loss
(out premises):		
Commercial Blanket Bond:	\$1,750,000175,000	Each and every loss (excludes
		employees known to have
		committed fraudulent or
		dishonest acts).
Faithful Performance:	\$ 1,250,000 125,000	Each and every loss
Depositors Forgery:	\$1,750,000175,000	Each and every loss
Computer Fraud:	\$1,750,000175,000	Each and every loss
Funds Transfer Fraud:	\$1,750,000175,000	Each and every loss
Money Orders and	\$1,750,000175,000	Each and every loss
Counterfeit Paper Currency:		
Maintenance Deductible:	\$500	Per Occurrence

3. LIABILITY

Coverage:	Third-party liability including Bodily Injury, Property					
	Damage and Personal Injury. Subject to Utah					
	Governmental Immunities Act (See Endorsement 2)					
Form:	Occurrence except for Public Officials Liability which					
	claims-made					
Coverage Parts	Limit	Terms				
General Liability:	\$2,000,000	Per Occurrence				
Law Enforcement Liability:	\$2,000,000	Per Occurrence				
Employee Benefits Liability:	\$2,000,000	Per Occurrence				
Automobile Liability:	\$2,000,000	Per Occurrence				
Public Officials Liability:	\$2,000,000	Per Occurrence				
Herbicide and Pesticide	\$50,000	Per Occurrence				
Application						
Limited Professional Health	\$ 2,250,000 2,000,0	00 (See Endorsement 4)				
Care Services	•					
Terrorism:	\$50,000	Per Occurrence				
	\$100,000	Aggregate per Member				
	\$300,000	Annual Aggregate				
Major Liability Exclusions:	Pollution/Contamination/Asbestos/Lead					
	Medical Malpractice (except Limited Professional Health					
	Care Services per Endorsement 5)					
	Failure to Maintain or Supply water, gas, electric					
	Watercraft (over 26	5 feet in length)				
						

					7



MEMORANDUM

To: UCIP Board of Trustees

From: Johnnie Miller

Date: 10/13/2009

Re: Vendor Contracts

UCIP has made a practice of reviewing vendor contracts on an annual basis. Staff provides the following status of vendor contracts and recommendations for your review.

Audit - Larson & Rosenberger

UCIP bid out Audit services in 2005 for a three year period beginning with the 2006 year end audit. While the three year agreement is up, staff recommends engaging Larson & Rosenberger for the independent audit of the 2009 year end financials to minimize disruption that a new audit firm would create. Proposed pricing for the 2009 year end audit is attached.

Actuary - By the Numbers Actuarial

UCIP bid out Actuarial services in 2005 for a three year period beginning with the 2006 reserve analysis. While the three year agreement is up, staff recommends engaging By the Numbers Actuarial for the reserve studies, rate analysis and quarterly reserve estimates to be conducted in 2009. An estimate of costs for these services is attached, as we recently added the quarterly reserve estimates.

IT Consulting - TCNS

UCIP has been using this firm since we were a part of UAC. We have no formal contract, and have been engaging the firm by the hour to assist with hardware and software problems. While the firm does not provide the highest level of expertise, they are a good value considering the level of assistance UCIP requires. Staff recommends continuing to use TCNS for these services.

Communications – Paetec

UCIP contracted with Paetec to provide communication services including phone lines and internet access when we relocated our offices in early 2009. The contract renews until terminated. Service has been adequate, and staff recommends continuing to work with Paetec for communication services.

Web Design – Agile Studios

UCIP has used this firm since the website was developed. We have significant problems with timeliness and accuracy of work performed. We have been training UCIP staff to take this service in-house. Staff recommends we continue to use this firm until we can determine if the services will be needed in the future, or if they can be accomplished by staff.

Banking - Wells Fargo

No formal contract exists, other than safekeeping agreements. Multiple accounts are managed for payment of claims and administrative expenses. Wells charges no fees for the UCIP checking accounts.

RMIS - Mountain View Computer Systems

UCIP went out to bid for a RMIS in 2004 and selected MVCS as its provider. Contract renews each year. While we have had numerous problems with this system, the prospect of changing systems would be very costly and disrupting. Staff recommends we continue using MVCS until UCIP has a clear picture of the future of the workers compensation program. Costs to migrate to a new system would be more appropriately considered as part of a change to that program.

Bill Review - Corvel

UCIP has utilized Corvel to review workers compensation claims billings to make any reductions to "usual and customary" charges as defined by the state. Corvel also reviews billings to assure the treatment was necessary for the work related injury. Service has been good. Staff recommends continuing the use of this provider.

Physical Therapy/Fitness for Duty - Corvel

UCIP entered into a one year contract at the beginning of 2009 as a trial basis for these services. We have not had great results, and so staff recommends terminating the contract effective 1-1-2010, and trying another provider, as the services are valuable.

Pharmacy - CompToday

Pharmacy management and cost control has been very good with this firm. Staff is comfortable with the service provided. Other vendors are regularly asking about this service, and staff continually reviews pricing to determine if additional savings can be realized with a different vendor. Staff recommends continued utilization of this firm.

Property Reinsurance - CRL/Chartis

UCIP has been a member of CRL's property program for several years with good results. Rates have been very stable and competitive, coverage has been expanded, and claims service has been excellent. UCIP's CEO sits on the CRL Underwriting Committee and has insisted that the coverage excess of CRL be marketed regularly. Staff recommends we continue our participation in this pool of pools.

Liability Reinsurance – CRL/Chartis

UCIP has been a member of CRL's liability program for several years with good results. Rates have been stable and competitive and claims service has been excellent. UCIP's CEO sits on the CRL Underwriting Committee and has insisted that the coverage excess of CRL be marketed regularly. Staff recommends we continue our participation in this pool of pools.

Excess Workers Compensation - CRL/Specialty National

UCIP has been a member of CRL's workers compensation program for several years with good results. Rates have been stable and competitive and claims service has been excellent. UCIP's CEO sits on the CRL Underwriting Committee and has insisted that the coverage excess of CRL be marketed regularly. Staff recommends we continue our participation in this pool of pools.



February 16, 2010

Mr. Johnnie Miller Utah Counties Insurance Pool 10980 S. Jordan Gateway South Jordan, UT 84095-3945

RE: INVOICE FOR UCIP WORKERS COMPENSATION ACTUARIAL REPORT

Dear Mr. Miller:

We have issued a draft of the workers compensation actuarial report for the Utah Counties Insurance Pool (UCIP) that estimates the required reserves as of 12/31/09. A copy was sent to you last week. We will finalize and present the report upon request.

Attached is our invoice. Our Federal Tax ID number is 62-1785227. If you should have any questions, please do not hesitate to call. It is a pleasure to be of service to UCIP.

Sincerely,

Lisa Dennison, FCAS, FCA, MAAA

President and Consulting Actuary

attachment



Invoice

Date	Invoice #
2/16/2010	2010-030

Bill To	
UCIP-WC Mr. Johnnie Miller 10980 S. Jordan Gateway South Jordan, UT 84095-3945	

P.O. No.	Terms	Project
	Due on Receipt	

	T			
Quantity	Description		Rate	Amount
	Actuarial Report - Estimated Required Reserves as of 12	2/31/09	4,250.00	4,250.00
			Total	\$4,250.00



October 14, 2009

Audit Committee Utah Counties Insurance Pool 10980 South Jordan Gateway South Jordan, UT 84095

We are pleased to confirm our understanding of the services we are to provide Utah Counties Insurance Pool for the year ended December 31, 2009.

We will audit the financial statements of Utah Counties Insurance Pool as of and for the year ended December 31, 2009. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to accompany Utah Counties Insurance Pool's basic financial statements. As part of our engagement, we will apply certain limited procedures to Utah Counties Insurance Pool's RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1. Management's Discussion and Analysis
- Premiums and Loss Development Information 2.

Audit Objectives

The objective of our audit is the expression of an opinion as to whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in Government Auditing Standards, issued by the Auditing Standards Board, and will include tests of the accounting records of Utah Counties Insurance Pool and other procedures we consider necessary to enable us to express such an opinion. If our opinion on the financial statements is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

MEMBER OF THE INTERNATIONAL ACCOUNTING GROUP IT AGE - WAY LARSED CON

Utah Counties Insurance Pool

October 14, 2009 Page 2

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of applicable laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of the audit committee, management, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties. If during our audit we become aware that **Utah Counties Insurance Pool** is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with auditing standards generally accepted in the United State of America and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You are also responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, or experience to oversee our financial statement preparation services and any other nonattest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them. As part of the audit, we will prepare a draft of your financial statements and related notes. In accordance with *Government Auditing Standards*, you will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements.

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **Utah Counties Insurance Pool** and the respective changes in financial position and where applicable, cash flows, in conformity with accounting principles generally accepted in the United States of America.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest

Utah Counties Insurance Pool October 14, 2009

Page 3

period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

Management is responsible for establishment and maintenance of a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous audits or other engagements or studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, and the timing and format related thereto.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly

Utah Counties Insurance Pool

October 14, 2009 Page 4

inconsequential Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include the direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the Association and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of **Utah Counties Insurance Pool's** compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Audit Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing **Utah Counties Insurance Pool** October 14, 2009 Page 5

We will provide copies of our reports to **Utah Counties Insurance Pool**; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Larson & Rosenberger LLP and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the State Auditor's Office, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Larson & Rosenberger LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the State Auditor's Office. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Geri Douglas is the engagement partner and is responsible for supervising the engagement and signing the report. We expect to begin our audit on approximately March 16, 2010 and to issue our reports no later than May 18, 2010. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$19,750. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2008 peer review final acceptance letter accompanies this letter.

Utah Counties Insurance Pool October 14, 2009

Page 6

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

LARSON & ROSENBERGER, LLP.

Geri A. Douglas, CPA Partner

RESPONSE:

This letter correctly sets forth the understanding of Utah Counties Insurance Pool

Ву:	
Title:	
Date:	

Johnnie Miller

From: Lisa Dennison [bynac@earthlink.net]
Sent: Thursday, October 08, 2009 7:06 AM

To: 'Johnnie Miller' Cc: mking@bynac.com

Subject: RE: Marsh Extract for Third Quarter

Our proposed fees are:

Workers Compensation Program:

12/31 Reserve Analysis	\$ 4,500
Quarterly Reserve Review	750 (each)
Premium Analysis	4,500
Relativity Factor Calculation	750
Equity Analysis	1,500
Total (3 Reserve Reviews)	\$13,500
Premium Analysis Relativity Factor Calculation Equity Analysis	4,500 750 1,500

Multi-line Program:

12/31 Reserve Analysis \$ 5,000
Quarterly Reserve Review 2,000 (each)
Premium Analysis 5,000
Equity Analysis 2,000
Total (3 Reserve Reviews) \$18,000

Let me know if you have any questions or need us to put this into a proposal or engagement letter.

Lisa Dennison, FCAS, FCA, MAAA
President and Consulting Actuary
By the Numbers Actuarial Consulting, Inc.
9055 Land Grant Place
Suite 100
Brentwood, TN 37027
615 369-0753
615 369-0754 facsimile

"... united to achieve excellence in pool governance, management and services."

RESOLUTION APPOINTING DESIGNATED REPRESENTATIVE TO THE ASSOCIATION OF GOVERNMENTAL RISK POOLS

WHEREAS, the Utah Counties Insurance Pool desires membership in the Association of Governmental Risk Pools; and

WHEREAS, the organizational By-Laws of the **Association of Governmental Risk Pools** requires the governing Board of a Regular Member to appoint a Designated Representative who shall vote on matters on behalf of the Regular Member;

 $N\ O\ W$, $T\ H\ E\ R\ E\ F\ O\ R\ E$, $B\ E$ $I\ T$ $R\ E\ S\ O\ L\ V\ E\ D$

by the governing board of the Utah Counties Insurance Pool, that it appoints the following person as its Designated Representative to the **Association of Governmental Risk Pools**.

Designated Representative:	<u>Johnnie R. Miller</u> Name
	Chief Executive Officer Title
Passed this 15th day of October, 2009	
Signature of Presi	ident or Chair
Attested:	
Signature of Secre	etary

Johnnie Miller

From: Harold Pumford [hpumford@agrip.org]

Sent: Monday, October 12, 2009 11:55 AM

To: Sherri Noll; Philip E. Bell; David Brooks; W. James Hamilton; Mark A. Kammers; Paul Miola; John M.

Foehl; Richard Ferguson; Robert Blackwood; Larry Bush; Arthur Byrn; Richard Wilkinson; Steven P. James; Michael Hammond; Duncan "Mack" Rabourn; Fred L. Haring; Michael Rhyner; James Craig, II;

Robyn Sykes; Bob Hall; David Kormann; L. Harold Blattie; Alan Hulse; Donnie McVee; Robert Robinson; Tom Barnes; Wayne E. Carlson; Ty H. Gagne; Lisa Duquette; Martin Kalbach; Donald Barber; Robert Haynes; Barbara Rhoades; Patrick Parsons; Frank Stratton; Ross Furry; Patrick J. Shaver; Dubravka Romano; Rod Bouffard; NancyLee Kreutzman; Johnnie Miller; Vyrle Hill; David

Hayasaka; Allen F. Hatten; Diantha Starr

Cc: Theresia LeSueur; William Hamilton; A. Kevin Crawford; Lester Nixon; 'Cheryle Mangels'; 'Donna

Abersman'; 'John R. Sallade'; 'Ken Horner'; 'Shawn Bubb'; 'Terry Norwood'

Subject: Invitation for a Governing Body members to attend Linkage Breakfast with AGRIP Board

The AGRiP Board invites you to send a member of your governing body to join them for a Linkage Discussion Breakfast on Tuesday, October 20, during the Governance and Leadership Conference. The breakfast will be from 7:30-8:45 am in the Portland Room in the first floor conference area at the Seattle Grand Hyatt. During this time, other conference attendees will be participating in Facilitated Breakfast Discussions by type of members.

Officials from 71 pools are now registered for the conference. The Linkage Discussion is an opportunity for member pool governing board members to interact directly with the AGRiP Board to express their opinions, preferences or ideas on AGRiP activities and programs.

<u>Each</u> attending member <u>pool may have one governing body member</u> at the breakfast. Please let me know no later than 4 pm this Thursday, October 15, the name of the governing body member who will be attending to represent your pool. Thanks. Harold

Harold Pumford, CEO Association of Governmental Risk Pools 1023 N Jim Thorpe Blvd. PO Box J Prague, OK 74864 (O) 405-567-2611 (Mobile) 405-567-5388 (H) 405-567-4746 www.agrip.org

No virus found in this incoming message. Checked by AVG - www.avg.com

Version: 8.5.421 / Virus Database: 270.14.12/2431 - Release Date: 10/12/09 13:01:00

You are cordially invited to

The Annual Meeting of the Members

December 3, 2009 1:00 p.m. to 4:30 p.m.

UCIP Offices

10980 S Jordan Gateway, South Jordan

1:00	Welcome		Kay Blackwell
	Member Roll Call		Kay Blackwell
	Introduction of Trustees and Staff		Kay Blackwell
	Approval of December 2008 Minutes		Kay Blackwell
	Approval of Fourth Amended Interlocal Co	operation Agreement	Johnnie Miller
	Approval of Bylaws		Johnnie Miller
	Introduction of Trustee Nominations		Kay Blackwell
	Speeches by Nominees		
	Ballot Election for 2010 Board of Trustees		Kay Blackwell
	Treasurer's Report		Steve Wall
a distribution of the second	Chief Executive Officer's Report		Johnnie Miller
	President's Report		Kay Blackwell
	Outgoing Trustee Recognition		Kay Blackwell
	Election Results		Kay Blackwell
	to UCIP Member Elected Officia <mark>l</mark> s and Employees. The number listed below <i>OR</i> register online at:		

Utah Counties Insurance Pool PO Box 95730, South Jordan, UT 84095-0730 (801) 565-8500 phone (801) 568-0495 fax

	*		



FINANCIAL STATEMENTS

Month Ending September 30, 2009

To the Board of Trustees:

I have compiled the accompanying, in-house prepared, unaudited account balances arising from accrual transaction of the Utah Counties Insurance Pool as of 9/30/09 and accompanying notes to basic financial statements.

Sonya White Manager of Administration 801-307-2113 sonya@ucip.utah.gov

Reviewed this 15th day of Corosee, 2009

By: P. D.

Utah Counties Insurance Pool

Statement of Net Assets As of September 30, 2009

	Sept 30, 2009
ASSETS	
Current Assets	
Total Checking/Savings	14,123,630.26
Accounts Receivable	279.20
Excess Recoverable	59,525.17
Prepaid Reinsurance	554,997.75
Total Current Assets	14,738,432.38
Fixed Assets	
Capital Assets	272,071.70
Accumulated Depreciation	(161,746.64)
Land	513,696.19
Capital (CRL)	238,516.00
Security Deposit	11,336.22
Total Fixed Assets	873,873.47
TOTAL ASSETS	15,612,305.85
LIABILITIES & EQUITY	
Liabilities	
Reserves	10,585,127.90
Unearned Premiums	1,976,216.00
Accounts Payable	37,503.81
Payroll Liabilities	903.34
Sick Payable	15,231.70
Vacation Payable	13,937.86
Total Liabilities	12,628,920.61
Equity	
Capital Assets	110,325.06
Unrestricted	2,476,827.25
Net Income	396,232.93
Total Equity	2,983,385.24
TOTAL LIABILITIES & EQUITY	15,612,305.85

Accrual Basis

Utah Counties Insurance Pool

Statements of Revenues, Expenses and Changes in Net Assets As of September 30, 2009

	Jan - Sep 09	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Conferences	4,858.40	0.00	4,858.40	100.0%
Investment Income	138,915.33	455,655.00	(316,739.67)	30.49%
Management Fees	2,648.14	5,250.00	(2,601.86)	50.44%
Premiums	5,928,648.00	9,325,341.00	(3,396,693.00)	63.58%
Premiums Audit	137,516.01	52,500.00	85,016.01	261.94%
Realized Gain(Loss) Investments	1,487.83	0.00	1,487.83	100.0%
Total Income	6,214,073.71	9,838,746.00	(3,624,672.29)	63.16%
Expense				
Board of Trustees	22,290.44	75,000.00	(52,709.56)	29.72%
Depreciation	32,686.43	50,000.00	(17,313.57)	65.37%
Loss Control	22,464.19	51,230.00	(28,765.81)	43.85%
Losses Incurred	724,917.90	0.00	724,917.90	100.0%
Losses Paid	3,010,804.21	1,680,814.00	1,329,990.21	179.13%
Marketing	9,725.88	15,000.00	(5,274.12)	64.84%
Office Operations	162,848.16	270,655.00	(107,806.84)	60.17%
Professional Services	92,551.87	140,550.00	(47,998.13)	65.85%
Reinsurance Coverage	1,093,682.25	1,734,975.00	(641,292.75)	63.04%
Staff	561,329.20	959,745.00	(398,415.80)	58.49%
Taxes	84,540.25	80,000.00	4,540.25	105.68%
Total Expense	5,817,840.78	5,057,969.00	759,871.78	115.02%
Net Income	396,232.93	4,780,777.00	(4,384,544.07)	8.29%
Het moonie		.,,		

Utah Counties Insurance Pool

Statement of Cash Flows As of September 30, 2009

ODERATING ACTIVITIES	Jan - Sep 09
OPERATING ACTIVITIES	
Net Income	396,232.93
Adjustments to reconcile Net Income	
to net cash provided by operations:	4 000 005 07
Accounts Receivable	-1,022,025.07
Accrued Investment Income	2,594.25
Excess Recoverable	110,375.44
Prepaid Reinsurance	-554,997.75
Accounts Payable ML	7,372.45
Accounts Payable WC	-69,386.52
Accounts Payable EB	-1,714,910.87
Building Related Payables	-26.00
Direct Deposit Liabilities	16,424.51
Payroll Liabilities	-16,283.63
Premiums Paid in Advance ML	-997,898.00
Premiums Paid in Advance WC	-169,143.00
Sick Payable	-1,970.85
Unearned Premiums	1,975,839.39
Vacation Payable	-2,915.21
Net cash provided by Operating Activities	-2,040,717.93
INVESTING ACTIVITIES	
Accumulated Depreciation	32,686.43
Capital Assets	-81,102.19
Land	75,422.73
Investments	32,805.81
Security Deposit	3,427.78
Net cash provided by Investing Activities	63,240.56
FINANCING ACTIVITIES	
IBNR Reserves ML	1,202,663.00
IBNR Reserves WC	-338,508.00
Loss Reserves ML	-289,726.00
Loss Reserves WC	156,893.00
ULAE Reserves ML	-1,489.25
ULAE Reserves WC	-4,914.85
Contributed Capital	-2,233,303.00
Invested in Capital Assets	630,974.55
Net Assets	1,276,925.53
Open Bal Equity	-320.71
Reserves:Automobile	-31,697.80
Reserves:Building:Repairs	-28,170.00
Retained Earnings	1,422,013.43
Net cash provided by Financing Activities	1,761,339.90
Net cash increase for period	-216,137.47
Cash at beginning of period	14,339,767.73
Cash at end of period	14,123,630.26

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Utah Counties Insurance Pool (the Pool or UCIP) was incorporated in December 1991 as the Utah Association of Counties Insurance Mutual (the Mutual). In July 2003, the Mutual was renamed the Utah Counties Insurance Pool. The Pool is a non-profit public agency insurance mutual under the insurance statutes of the State of Utah and is an Interlocal entity formed under section 11-13-101 et. seq. *Utah Code Annotated, 1953* as amended, as a joint program to insure risks for counties who enter into the Interlocal agreement that creates UCIP. The Pool started providing workers' compensation coverage effective January 1, 2004. The Pool also began an employee benefits program on January 1, 2006. All of the Pool's business activities are conducted in the State of Utah.

Accounting Principles

These financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP) and standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. The Pool adopted Governmental Accounting Standards Board Statement No 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (GASB Statement 34), GASB Statement No. 37, Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments: Omnibus, and GASB Statement No. 38, Certain Financial Statement Disclosures, in fiscal year 2002, effective January 1, 2001. Effective January 1, 2004, the Pool adopted GASB Statement No. 40, Deposit and Investment Risk Disclosures. With the implementation of these statements, the Pool has prepared required supplementary information titled 'Management's Discussion and Analysis' which precedes the basic financial statements, has prepared a balance sheet classified between current and noncurrent assets and liabilities, has categorized net assets as invested in capital assets and unrestricted, has prepared the statements of cash flows on the direct method, and provided additional schedules to better communicate the financial status of the governmental entity.

The accounting policies of the Pool conform to accounting principles generally accepted in the United States of America in all material respects. In accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Fund and Other Governmental Entities That Use Proprietary Fund Accounting, the Pool has opted to apply all pronouncements issued by the Financial Accounting Standards Board ("FASB") after November 1989, unless the FASB pronouncements conflict with or contradict GASB pronouncements. The following is a summary of the more significant of such policies.

Basis of Accounting

The Pool reports as a single enterprise fund and uses the accrual method of accounting and the economic resources measurement focus. Under this method, revenues are recognized when they are earned and expenses are recognized when they are incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. The estimates which are particularly susceptible to change are related to the actuarial valuation of the claims incurred but not reported and loss reserves. Actual results could differ from those estimates.

Income Taxes

The Pool is exempt from the payment of income taxes under Section 115 of the Internal Revenue Code.

Premiums

Substantially all policies have a common annual renewal date of January 1. Premiums written are earned on a daily pro rata basis over the policy term.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Pool considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents. Therefore, the investments in the Utah Public Treasurers' Fund and cash on deposit are considered to be cash equivalents.

Investments

Investments are comprised of various U.S. Government securities, certificates of deposit and investments in County Reinsurance Limited (CRL).

The investments in CRL are valued using the equity method of accounting. Under the equity method, the Pool recognizes its proportionate share of the net earnings or losses of CRL which represents its share of the undistributed earnings or losses of CRL.

Capital Assets

Capital assets are defined by the Pool as assets with an initial individual cost of more than \$500. Capital assets are stated at cost less accumulated depreciation. Depreciation on furniture, equipment and electronic data processing equipment is provided over the estimated useful lives of the assets on the straight-line method. Useful lives vary from three to five years. Depreciation expense for the quarter ending September 30, 2009 amounted to \$32,686.43.

Compensated Absences

Accumulated unpaid vacation and sick pay amounts are accrued when benefits vest to employees and the unpaid liability is reflected as compensated absences payable.

Reserves for Losses and Loss Adjustment Expenses

The reserves for losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount based on past experience for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes that amounts are adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are reviewed guarterly and any adjustments are reflected in the period determined.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Listed below is a summary of the cash and investment portfolios as of September 30, 2009. Investing is governed by the prudent man rule in accordance with statues of the State of Utah. All investments of the Pool are considered to have been made in accordance with these governing statues.

Cash and cash equivalents

Cash and cash equivalents of the Pool are carried at cost. The carrying amount of the cash on deposit, net of outstanding checks, is \$147,575.47 as of September 30, 2009. As of September 30, 2009, \$250,000.00 of the Pool's cash on deposit was insured by the FDIC.

The Public Treasurers' Investment Fund (PTIF) is a pooled investment fund enabling public agencies to benefit from the higher yields offered on large denomination securities. The PTIF is similar in nature to a money market fund, but the PTIF is subject to the Money Management Act and Rules of the Money Management Council. The PTIF invests in corporate debt, U.S. Agency notes, certificates of deposit and commercial paper. The maximum final maturity of any security invested in by the PTIF is limited to five years. The maximum weighted average life of the portfolio is limited to 90 days. There is no maturity date on an entity's investment in the PTIF. PTIF deposits are not insured or otherwise guaranteed by the State of Utah. Participants in the PTIF pay an administrative charge on an annual basis based on the average account balance. The PTIF is operated as a service to local governments and does not generate a profit to the Utah State Treasurer.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of September 30, 2009, the Pool had no amounts over FDIC insurance.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments

The Pool records investments in CRL using the equity method of accounting. Investments in CRL are provided annually and the recorded value in CRL is as of December 31, 2008.

Interest Rate Risk

The Pool's investment policy states that the Pool manages its exposure to declines in fair value by laddering the maturities of its securities. Currently the Pool utilizes the Public Treasurer's Investment Fund (PTIF) to manage interest rate risk.

Credit Rate Risk

The Pool's investment policy states that investments will be limited to the top ratings issued by nationally recognized statistical rating organizations (NRSROs) so the total investment portfolio maintains an "A" (S&P) or equivalent minimum rating. All investments made during the period were in compliance with this policy

Concentration of Credit Risk

The Pool's investment policy states that investment in commercial paper, corporate bonds and asset-backed obligations shall not exceed 20% of the total assets of UCIP's investments. All investments made during the period were in compliance with this policy

3. INTEREST RATES

The interest rates for assets held with the Utah Public Treasurers' Investment Fund were .7487% for the month ending September 30, 2009.

4. <u>INVESTMENT INCOME</u>

Investment income is comprised of interest on securities and cash and equity in CRL.

5. CAPITAL ASSETS

The capital assets and related accumulated depreciation of the Pool are:

		eginning Balance	Capital quisitions	Di	spositions	Ending Balance
Land	\$	513,696	\$ -	\$	-	\$ 513,696
Capital Assets	_\$_	268,106	\$ 3,966	\$	-	\$ 272,072
	\$	781,802	\$ 3,966	\$	-	\$ 785,768
Accumulated Depreciation	\$	150,830	\$ 10,916	\$:-	\$ 161,746

6. CONTINGENCIES

The Pool is subject to litigation from the settlement of claims contested in the normal course of business. The losses from the actual settlement of such unknown claims are taken into consideration in the computation of the estimated unpaid loss and loss adjustment expense liabilities.

7. REINSURANCE

Effective 2003, the Pool has purchased only specific excess coverage. The agreement provides for liability insurance in excess of a \$250,000 self-insured retention and property and crime insurance in excess of a \$250,000 self-insured retention.

Effective 2004, the Pool has purchased reinsurance coverage for its workers' compensation coverage in excess of a \$300,000 self-insured retention. Effective 2008, the Pool increased its self-insured retention to \$400,000.

Estimated claims loss liabilities are stated net of estimated losses applicable to reinsurance coverage ceded to other insurance companies of \$554,997.75 for the multiline and workers' compensation pools, respectively as of September 30, 2009. However, the Pool is contingently liable for those amounts in the event such companies are unable to pay their portion of the claims.

<u>Unsecured Reinsurance Recoverables</u>

The Pool has received reinsurance recoverables in the amount of \$110,375.44 from its reinsurers for paid losses as of September 30, 2009 and anticipated reinsurance recoverables in the amount of \$59,525.17 as of September 30, 2009.

Reinsurance Recoverable in Dispute

As of September 30, 2009, the Pool does not have any disputed balances or uncollectible funds.

8. RETIREMENT PLAN

The employees are covered under multiple-employer, public employee retirement systems administered by the Utah Retirement Systems. This plan is noncontributory and includes a 401(k) plan. The Pool contributes 11.62% of employee's salaries under the plan. The Pool contributes an amount equal to the amount contributed by the employee into a 401(k) plan and/or a 457 (administered by Nationwide Retirement Solutions) plan, not to exceed 5% of the employees eligible payroll. The total retirement expense for the guarter ending September 30, 2009 was \$55,243.78.

9. UNPAID CLAIMS, LOSSES AND LOSS ADJUSTMENT EXPENSES

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has increased (decreased) by approximately (\$867,937.10) from January 1, 2009 to September 30, 2009, as a result of reestimation of unpaid losses and loss adjustment expenses. This change is the result of quarterly analysis of recent loss development trends. Original estimates change as additional information becomes known regarding individual claims.

9. UNPAID CLAIMS, LOSSES AND LOSS ADJUSTMENT EXPENSES (Continued)

Beginning Balance \$ 11,453,065

 Incurred Loss
 \$ 2,142,918

 Paid Loss
 \$ (3,010,855)

 Change in Reserves
 \$ (867,937)

Balance at September 30 \$ 10,585,128

10. OPERATING LEASE COMMITMENT

On September 4, 2008, the Pool entered into a seven year commitment to lease office space. The lease commenced in February 2009 at which time the Pool occupied the premises. The Pool paid **\$82,432.86** in rent as of September 30, 2009.

Future minimum rental commitments for the building operating lease are as follows:

 2010
 \$ 129,456

 2011
 \$ 129,456

 2012
 \$ 132,696

 2013
 \$ 136,674

 2014
 \$ 140,774

 Therafter
 \$ 144,997

Total minimum lease payments \$ 814,054

Utah Counties Insurance Pool Payments September 18 - October 15, 2009

Amount	-14,617.81 -23.54 -1,778.66 -6,394.25 -2,115.34 -1,022.96 -1,022.96 -1,022.96 -1,022.96 -1,022.96 -1,022.96 -1,022.96 -1,022.96 -1,022.96 -1,022.96 -1,022.96 -1,023.97 -1,023.97 -1,023.97 -1,029.00 -1,029.87 -1,029.8	-39.25 -276.00 -189.50
Split	-SPLIT	Accounts Payable WC Accounts Payable WC Accounts Payable WC
Мето	Created by Payroll Services on 09/25/2009 Service Charge Created by Payroll Services on 10/13/2009 Unit No. 864 (SEPT 2009) Entity. 644013 ETA ACKNOWLEDGEMENT NUMBER: 270967300037213 Transaction Number: 4856 2002 0633 9635 Account Number: 4856 2002 0639 3635 Account Number: 4856 2002 0649 9796 Coverage Period: September 2009 Policy Number: 4076 (SEPT) Expense Reimbursement Mileage Reimbursemen	Invoice Number: ISO0033755 Invoice Number: 13870 Invoice Number: 02575217
Name	QuickBooks Payroll Service Utah Retirement Systems Nationwide Retirement Solutions United States Treasury Utah State Tax Commission United States Treasury Wells Fargo Wells Willer LaMar Guymon Kay Blackwell Bruch Association of Counties Sirus Comsulting Group, LLC Guardian AGRIP Utah Association of Counties Sirus Consulting Group, LLC Guardian AGRIP Western AgCredit Kay Blackwell Ken Bischoff Kay Blackwell Brad Dee Kent Sundberg Steven Wall Mark W. Brady Johnnie R. Miller Songa J. Whiler Songa J. Whiler Songa J. Whiler Songa J. While Cutah Fancy Poultry Assn. Arthur J. Gallagher & Co. TCNS, Inc. Utah State Tax Commission Pitney Bowes Postage by Phone	ISO Services, Inc. Mountain View Software Premiere Global Services
Num	ONLINE ONLINE ONLINE ONLINE ONLINE ONLINE ONLINE ONLINE S253 S254 VISA VISA S255 5255 5256 5256 5256 5256 5257 5260 5260 5260 5260 5270 5270 5270 5271 5270 5271 5271 5272 5278 5288 5288 5288 5288 5288 5288	268 269 270
Date	9/30/2009 10/1/2009 10/1/5/2009 10/1/5/2009 10/1/5/2009	9/30/2009 9/30/2009 9/30/2009
Туре	ML Expense Liability Check Check Liability Check Liability Check Liability Check Liability Check Liability Check Bill Pmt -Check Bill Pmt -Check Bill Pmt -Check Bill Pmt -Check Check Bill Pmt -Check Check Check Check Check Check Check Check Check Bill Pmt -Check Check	WC Expense Bill Pmt -Check Bill Pmt -Check Bill Pmt -Check

Utah Counties Insurance Pool Payments September 18 - October 15, 2009

2009 Member Financial Ratios

				Control of the Contro				Spanning and the second	Description of the Party of the
	ALLI	ALWC	AZWC	AZWC1	ARWC	GALI ²	GAWC ³	KSLI	KYWC
Assets	35,678,742	57,627,252	18,633,734	18,633,734	25,968,397	71,755,127	144,551,831	17,685,768	74,304,903
Liabilities	20,061,586	48,272,491	14,535,079	10,884,694	7,270,078	39,954,213	88,369,837	7,475,135	57,957,520
Surplus	15,617,156	9,354,761	4,098,655	7,749,040	18,698,319	31,800,914	56,181,994	10,210,633	16,347,383
Total Revenue*	7,623,742	15,068,000	6,425,904	6,425,904	7,788,453	22,826,639	13,186,272	6,348,841	23,186,499
Net Premium Revenue*	8,022,286	14,017,031	5,607,818	5,607,818	6,482,276	22,392,764	12,254,184	5,548,347	20,767,698
Net Expenses*	7,212,862	13,901,301	4,061,073	4,061,073	6,414,582	24,682,056	15,210,027	4,007,026	18,493,917
"Excludes reinsurance expenses									
Net Reserves	17,839,525	46,813,313	10,627,329	10,627,329	7,270,078	38,177,178	74,834,872	7,289,460	34,700,000
Non-loss Expenses	1,363,280	1,760,683	458,550	458,550	1,831,807	6,096,135	4,795,027	645,057	4,777,978
Losses & Loss Adjustment Expenses	5,849,582	12,140,618	3,602,523	3,602,523	4,582,775	18,585,921	10,415,000	3,361,969	13,715,939
SIR	300,000	500,000	650,000	650,000	450,000	400,000	1,000,000	250,000	750,000
Net Premium to Surplus Ratio (200% or lower)	51.4%	149.8%	136.8%	72.4%	34.7%	70.4%	21.8%	54.3%	127.0%
Retention to Surplus Ratio (10% or lower)	1.9%	5.3%	15.9%	8.4%	2.4%	1.3%	1.8%	2.4%	4.6%
Reserves to Surplus Ratio (300% or lower)	114.2%	500.4%	259.3%	137.1%	38.9%	120.1%	133.2%	71.4%	212.3%
Loss Ratio (100% or lower)	72.9%	%9.98	64.2%	64.2%	%2'02	83.0%	85.0%	%9.09	%0.99
Combined Ratio (100% or lower)	89.9%	99.2%	72.4%	72.4%	%0.66	110.2%	124.1%	72.2%	89.1%
Modified Combined Ratio (100% or lower)	94.6%	92.3%	63.2%	63.2%	82.4%	108.1%	115.3%	63.1%	79.8%
Financial Statement Date:	12/31/2008	9/30/2008	6/30/2008	6/30/2008	12/31/2008	6/30/2009	6/30/2009	12/31/2008	6/30/2008

¹ This option includes Unpaid Dividends as Surplus. ² Covers 7/01/08 - 06/30/09 Unaudited

³ Covers 01/01/09 - 06/30/09 Unaudited

⁴ Unaudited

⁵ Larger negative numbers for ratios equal improvement

⁶ TXPL & TXWC are one legal entity (includes non-covered

auto and general liability financials); Reflects pool's largest SIR, UTLI & UTWC are one legal entity; Reflects pool's largest SIR;

All Employee Benefit transactions were excluded.

2009 Member Financial Ratios

			4	Y 1777	CHARL	,	NOTE	NGWG5	0.11
	MOM	NELI	NEWC	IAALI	TA A AV.	INIVIANC	I ACE	INCAAC	Circle
Assets	23,210,574	19,380,926	18,928,521	29,738,524	60,092,890	10,166,604	63,266,726	28,070,461	25,221,491
Liabilities	11,106,465	9,171,112	9,608,730	13,037,429	18,894,706	11,085,253	24,698,487	40,092,289	15,860,863
Surplus	12,104,109	10,209,814	9,319,791	16,701,095	41,198,184	(918,649)	38,568,239	(12,021,828)	9,360,628
Total Revenue*	11,908,426	4,107,784	4,484,710	10,935,256	18,502,966	7,293,381	20,467,876	20,801,337	7,033,637
Net Premium Revenue*	9,486,697	3,756,827	3,877,860	8,561,820	15,031,794	6,827,965	18,444,692	19,707,631	6,175,112
Net Expenses*	7,466,883	4,658,880	3,425,698	9,318,424	9,541,639	6,186,020	11,793,056	19,315,561	4,818,694
*Excludes reinsurance expenses									
Net Reserves	10,778,886	5,001,847	5,312,433	12,871,000	18,741,881	10,972,172	24,590,188	39,822,761	10,116,009
Non-loss Expenses	1,478,010	996,412	765,461	3,689,027	2,447,431	963,638	3,501,076	3,026,731	798,096
Losses & Loss Adjustment Expenses	5,988,873	3,662,468	2,660,237	5,629,397	7,094,208	5,222,382	8,291,980	16,288,830	4,020,598
SIR	350,000	300,000	350,000	500,000	500,000	350,000	500,000	750,000	500,000
Net Premium to Surplus Ratio (200% or lower)	78.4%	36.8%	41.6%	51.3%	36.5%	-743.3%	47.8%	-163.9%	66.0%
Retention to Surplus Ratio (10% or lower)	2.9%	2.9%	3.8%	3.0%	1.2%	-38.1%	1.3%	-6.2%	5.3%
Reserves to Surplus Ratio (300% or lower)	89.1%	49.0%	57.0%	77.1%	45.5%	-1194.4%	63.8%	-331.3%	108.1%
Loss Ratio (100% or lower)	63.1%	97.5%	68.6%	65.8%	47.2%	76.5%	45.0%	82.7%	65.1%
Combined Ratio (100% or lower)	78.7%	124.0%	88.3%	108.8%	63.5%	90.6%	63.9%	98.0%	78.0%
Modified Combined Ratio (100% or lower)	62.7%	113.4%	76.4%	85.2%	51.6%	84.8%	57.6%	92.9%	68.5%
Financial Statement Date:	12/31/2008	6/30/2009	6/30/2009	6/30/2008	6/30/2008	6/30/2008	6/30/2008	6/30/2008	6/30/2008

¹ This option includes Unpaid Dividends as Surplus.
² Covers 7/01/08 - 06/30/09 Unaudited

³ Covers 01/01/09 - 06/30/09 Unaudited

⁴ Unaudited

⁵ Larger negative numbers for ratios equal improvement
⁶ TXPL & TXWC are one legal entity (includes non-covered

auto and general liability financials); Reflects pool's largest SIR. UTLI & UTWC are one legal entity; Reflects pool's largest SIR;

All Employee Benefit transactions were excluded.

2009 Member Financial Ratios

	The state of the s						
	OHLI	PALI	PAWC	TNLI	TXPL/TXWC ⁶	UTLI/UTWC7	Totals
Assets	72,479,935	22,172,673	20,157,202	23,851,743	355,903,508	14,133,561	1,232,981,093
Liabilities	46,928,457	19,353,338	16,318,064	10,757,214	201,343,502	11,204,897	739,706,360
Surplus	25,551,478	2,819,335	3,839,138	13,094,529	154,560,006	2,928,664	493,274,733
Total Revenue*	13,401,391	6,143,834	5,620,813	12,528,250	53,727,501	6,010,753	305,422,265
Net Premium Revenue*	19,942,928	9,028,166	9,195,531	11,481,667	59,100,813	5,946,203	301,658,110
Net Expenses*	21,623,525	7,485,286	8,948,849	9,859,320	76,039,647	6,171,075	300,635,401
*Excludes reinsurance expenses							
Net Reserves	26,128,124	19,331,816	16,013,999	10,675,415	158,658,420	9,860,210	616,426,916
Non-loss Expenses	6,700,694	2,394,921	2,048,524	3,529,280	43,576,957	1,547,015	99,191,790
Losses & Loss Adjustment Expenses	14,922,831	5,090,365	6,900,325	6,330,040	32,462,690	4,624,060	201,443,611
SIR	1,000,000	350,000	200,000	250,000	1,250,000	400,000	12,150,000
Net Premium to Surplus Ratio (200% or lower)	78.0%	320.2%	239.5%	87.7%	38.2%	203.0%	61.2%
Retention to Surplus Ratio (10% or lower)	3.9%	12.4%	13.0%	1.9%	%8.0	13.7%	2.5%
Reserves to Surplus Ratio (300% or lower)	102.3%	685.7%	417.1%	81.5%	102.7%	336.7%	125.0%
Loss Ratio (100% or lower)	74.8%	56.4%	75.0%	55.1%	54.9%	77.8%	%8'99
Combined Ratio (100% or lower)	108.4%	82.9%	97.3%	85.9%	128.7%	103.8%	%2'66
Modified Combined Ratio (100% or lower)	161.4%	121.8%	159.2%	78.7%	141.5%	102.7%	98.4%
Financial Statement Date:	4/30/2009	5/31/2009	12/31/2008	6/30/2008	12/31/2008	12/31/2008	

¹ This option includes Unpaid Dividends as Surplus.

² Covers 7/01/08 - 06/30/09 Unaudited

³ Covers 01/01/09 - 06/30/09 Unaudited

⁴ Unaudited

⁵ Larger negative numbers for ratios equal improvement

⁶ TXPL & TXWC are one legal entity (includes non-covered

auto and general liability financials); Reflects pool's largest SIR. UTLI & UTWC are one legal entity, Reflects pool's largest SIR;

All Employee Benefit transactions were excluded.

Long Term Financial Analysis

ALLI
ALWC
AZWC
AZWC1
C ¹ ARWC
GALI ²
ALLI ALWC AZWC AZWC1 ARWC GALI2 GAWC3 KSLI I
KSLI
3
VC MOWC NELI4
NELI4 I
NEWC4
NVLI
NVWC

2009 Ratios														
Net Premium to Surplus Ratio (<200%)	51%	150%	137%	72%	35%	70%	22%	54%	127%	78%	37%	42%	51%	36%
Retention to Surplus Ratio (<10%)	2%	5%	16%	8%	2%	1%	2%	2%	5%	3%	3%	4%	3%	1%
Reserves to Surplus Ratio (<300%)	114%	500%	259%	137%	39%	120%	133%	71%	212%	89%	49%	57%	77%	45%
atio (<100%)	73%	87%	64%	64%	71%	83%	85%	61%	66%	63%	97%	69%	66%	47%
Combined Ratio (<100%)	90%	99%	72%	72%	99%	110%	124%	72%	89%	79%	124%	88%	109%	63%
Modified Combined Ratio (<100%)	95%	92%	63%	63%	82%	108%	115%	63%	80%	63%	113%	76%	85%	52%

) (<100%)	100%)		<u>o</u>)	Retention to Surplus Ratio (<10%)	Net Premium to Surplus Ratio (<200%)	2008 Ratios
100%	131%	115%	111%	2%	51%	
81%	101%	89%	526%	6%	149%	
84%	93%	85%	582%	29%	267%	
84%	93%	85%	190%	9%	87%	
79%	96%	68%	33%	2%	37%	
77%	89%	80%	94%	1%	47%	
98%	124%	90%	104%	1%	19%	
87%	100%	89%	105%	3%	70%	
82%	101%	80%	275%	6%	171%	
 78%	95%	81%	157%	4%	125%	
66%	82%	57%	26%	3%	29%	
64%	76%	59%	58%	4%	43%	
71%	81%	44%	68%	3%	59%	
37%	42%	28%	37%	2%	46%	

2007 Ratios														
Net Premium to Surplus Ratio	44%	204%	495%	106%	35%	50%	18%	86%	278%	166%	29%	52%	69%	62%
Retention to Surplus Ratio	2%	10%	54%	12%	2%	1%	1%	4%	10%	5%	3%	4%	4%	2%
Reserves to Surplus Ratio	89%	753%	1019%	218%	31%	95%	90%	104%	418%	226%	31%	70%	72%	56%
Loss Ratio	84%	154%	91%	91%	62%	64%	86%	72%	75%	77%	66%	55%	18%	15%
Combined Ratio	101%	167%	100%	100%	89%	93%	119%	82%	98%	91%	95%	74%	52%	28%
Modified Combined Ratio	82%	144%	89%	89%	72%	81%	90%	69%	79%	70%	76%	63%	37%	27%

Net Premium to Surplus Ratio	54%		112%	122%	623%	42%	37%	46%	156%	669%	142%	40%	66%	135%
Rentention to Surplus Ratio	2%		5%	12%	62%	2%	1%	1%	6%	23%	5%	2%	5%	6%
Reserves to Surplus Ratio	116	0	92%	208%	292% 208% 1471%	36%	99%	104%	151%	1667%	156%	63%	128%	114%

2005 Ratios													
Net Premium to Surplus Ratio	41%	74%	130%	1811%	39%	79%	46%	176%	593%	110%	43%	65%	161%
Retention to Surplus Ratio	2%	4%	7%	100%	2%	2%	1%	8%	24%	4%	3%	5%	7%
Reserves to Surplus Ratio	109%	214%	236%	0)	33%	180%	104%	185%	1530%	106%	92%	148%	119%

Long Term Financial Analysis

PAWC TNLI TNWC TXPL/WC TXWC UTLI/WC⁶ Average PALI NMWC5 NCLI NCWC5 OKLI OHLI

2009 Ratios											
Net Premium to Surplus Ratio (<200%)	-743%	48%	-164%	%99	78%	320%	240%	88%	38%	203%	61%
Retention to Surplus Ratio (<10%)	-38%	1%	%9-	2%	4%	12%	13%	2%	1%	14%	2%
Reserves to Surplus Ratio (<300%)	-1194%	64%	-331%	108%	102%	%989	417%	82%	103%	337%	125%
Loss Ratio (<100%)	%92	45%	83%	%59	75%	%99	%5/	%99	25%	78%	%29
Combined Ratio (<100%)	91%	64%	%86	78%	108%	83%	%26	%98	129%	104%	100%
Modified Combined Ratio (<100%)	85%	%89	93%	%69	161%	122%	159%	%62	142%	103%	%86

2008 Ratios													
Net Premium to Surplus Ratio (<200%)	-318%	62%	-123%	85%	%69	227%	128%	109%	178%	22%	43%	191%	73%
Retention to Surplus Ratio (<10%)	-17%	2%	%9-	%/	3%	%8	7%	2%	8%	1%	1%	12%	4%
Reserves to Surplus Ratio (<300%)	-457%	%26	-301%	124%	105%	425%	203%	94%	317%	32%	182%	272%	135%
l oss Ratio (<100%)	94%	%59	%09	%6	%92	%09	73%	%59	95%	24%	83%	%92	71%
Combined Ratio (<100%)	%06	88%	%62	23%	110%	85%	%56	93%	113%	117%	142%	108%	94%
Modified Combined Ratio (<100%)	82%	%19	%29	20%	85%	81%	83%	84%	100%	81%	%66	%26	78%

2007 Ratios												
Net Premium to Surplus Ratio	-139%	85%	%96-		264%	182%	117%	159%	22%	%09	298%	119%
Retention to Surplus Ratio	%6-	1	-4%		16%	%6	3%	8%	1%	1%	8%	%9
Reserves to Surplis Ratio	-255%	104%	-236%		658%	215%	108%	277%	78%	177%	246%	205%
l ose Batio	135%	54%	145%		%66	31%	%62	85%	23%	%29	49%	74%
Combined Ratio	151%	73%	162%		136%	%09	109%	105%	141%	94%	112%	100%
Modified Combined Ratio	134%	%99	152%		%08	46%	101%	%96	94%	%02	91%	82%

2006 Batins												
Net Premium to Surplus Ratio	-378%	116%	-207%		-562%	36	95% 14	149%	27%	95%	117%	82%
Reptention to Surplus Batio	%96-	3%			-32%	3	3%	%6	1%	2%	%2	3%
Reserves to Surplus Ratio	-548%	1	-372%		-1019%	9	64% 28	289%	44%	251%	115%	133%
2005 Ratios										10,0	1000	7000
Net Premium to Surplus Ratio	19806% 185%	185%	-241%		-325%	78	78% 13	136%	27%	104%	1.5%	13%
Retention to Sumlis Ratio	1765%	2%	-4%		-22%	4	4% 8	8%	1%	2%	4%	3%
Reserves to Sumilis Batio	33776% 223%	223%	-374%		%009-	80	80% 24	247%	42%	252%	%02	135%
ווכמבו גרם וס סמו לוומם וימנום			THE WINSHIP WE	Separate Separate Separate		ALL DESIGNATION OF THE PARTY OF						

				* ************************************
				·u

WC Premium Summary

JLGT Premium Rate	\$12,949.80 \$7,202.87 \$99,993.25	\$120,145.92	ophic \$2,264.34
ULGT Rate	0.93 0.14 2.09		Catastrophic Factor
JCIP Premium Rate	1.07 \$14,899.24 0.17 \$8,746.34 2.41 %115,303.22 1.67	\$138,948.80	Emod 1.43
UCIP Rate	1.07 0.17 2.41 1.67		
Premium	\$18,937.35 1 \$10,804.30 0 \$120,087.59 2	\$149,829.24	Emod .77
RC Rate	1.36 0.21 2.51 2.12	i Si	
VC Premium Rate	\$27,709.79 \$12,347.77 \$128,221.01	\$168,278.58	Emod 2.6
Estimated Annual VC Payroll Rate	\$1,392,452.00 LV\$ 1.99 \$5,144,906.00 \ \(\pi\) \ \$4,784,366.00 \(\pi\) \ \ 2.68	\$11,321,724.00	
Description	Streets & Roads Clerical Cnty Employees Fire Fighters Police		
Class Code	5509 8810 9416 7720		

	8	

Comparisons of UCIP and ULGT WC Rates Based on Uintah County Quote

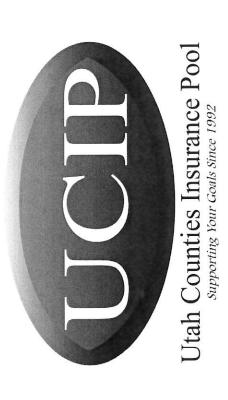
UCIP to ULGT Quote		
Streets & Roads	15%	
Clerical	21%	
Municipal Employees NOC	15%	
Fire Fighters	N/A	
Police	15%	
Procesself to III GT Ouete		Pages

Police	15%		
Roosevelt to ULGT Quote		Roosevelt to UCIP	
Streets & Roads	46%	Streets & Roads	27%
Clerical	50%	Clerical	24%
Municipal Employees NOC	20%	Municipal Employees NOC	4%
Fire Fighters	N/A	Fire Fighters	27%
Police	74%	Police	51%
Vernal to ULGT Quote		Vernal to UCIP	
Streets & Roads	114%	Streets & Roads	86%
Clerical	71%	Clerical	41%
Municipal Employees NOC	28%	Municipal Employees NOC	11%
Fire Fighters	N/A	Fire Fighters	60%
Police	N/A	Police	0%

Vernal to Roosevelt

Streets & Roads	46.3%
Clerical	14.3%
Municipal Employees NOC	6.8%
Fire Fighters	25.9%
Police	N/A

Washington County was quoted using rates another 20% below the rates used for Uintah.



Board of Trustees

October 15, 2009

Interlocal& Bylaws

- Amendments must be provided to members 30 days in advance of Membership Meeting.
- Interlocal revised to allow for changes to Bylaws by the Board.
- Interlocal, make the coverage document an addendum to the Bylaws and include joint policies adopted by the Board as part of Bylaws revised to delete repetition of Bylaws.



Coverage Document Changes

- Not a separate agreement, addendum to the Bylaws.
- Limits reduced to provide concurrency with reinsurance.
- Covered Contract defined.
- Extended Reporting Period limited.
- **Exception for Permits in Land Use Exclusion** deleted.



		<i>*</i>

Vendor Contracts

- Audit
- Actuarial
- IT Services, Web design & Communications
- Risk Management Information Systems
- WC Bill Review
- WC Pharmacy
- Reinsurance



		,
		*

UCIP 2008 Performance Ratios

Net Premium to Surplus(<200%)

Retention to Surplus (<10%)

Reserves to Surplus (<300%)

Loss Ratio (<100%)

Combined Ratio (<100%)

203.0%

13.7% 336.7%

77.8%

103.8%



			2

ULGT Meeting

- mistakes by not charging enough, counties " Not the Board's intent to use surplus to support new business... If staff has made will be charged increases."
- "We believe we will be profitable at the premium levels we have quoted the counties."
- **ULGT Board will provide UCIP results of their** review of current quotes after their next Board meeting.



4		
		2.

Business Plan Option 1

- Utilize a "pool" model.
- Charge members just the cost of paying claims and administrative costs, regardless of the market.
- Build long term commitment by members into the model to address soft markets.



			,

Business Plan Option 2

- Develop a "competitive insurer" model.
- Each member will be charged the highest premium possible each year.
- Significant surplus must be developed in hard markets to utilize in retaining business in soft markets.
- Must terminate unprofitable accounts.
- Significant capitalization is necessary for UCIP to compete in the current market.



			,

UAC Conference Schedule

- Clerk/Auditors session on budget reporting and UCIP equity.
- Treasurers session on fraud training
- Commissioners/Sheriffs session on UCIP status, unionization of law enforcement employees and deterioration of law enforcement tort caps.



AFFIDAVIT OF KAY BLACKWELL

STATE OF UTAH)
COUNTY OF SALT LAKE	;ss)
Kay Blackwell, being duly swo	n upon oath, denoses and says:
	sonal knowledge of the matters hereinafter referred to in this Affidavit.
2. That the Affiant, on or	about the15 day ofOctober, 2009, presided over a meeting of the Utah
Counties Insurance Pool Board of Truste	es, an open and public meeting within the provisions of Chapter 4, Title 52, Utah Code
Annotated, 1953, as amended.	
3. That a quorum of the U	Itah Counties Insurance Pool Board of Trustees was present and at least two-thirds of
the members present, voted to close the i	neeting pursuant to the provisions of Section 52-4-4, Utah Code Annotated, 1953, as
amended, for the purpose of discussing t	ne character, professional competence, or physical or mental health of an individual.
4. That the affiant was pr	esent throughout the meeting and, pursuant to the provisions of Section 52-4-7.5, the
affiant does hereby affirm that the sole p	urpose for closing the meeting was to discuss the character, professional competence,
or physical or mental health of an individ	lual or individuals.
FURTHER, Affiant saith not.	
DATED this <u>15</u> day of	October , 2009. Kay Blackwell, President
	Utah Counties Insurance Pool
On the15day of _Oe	2009, personally appeared before me Kay Blackwell, who, after being by me
duly sworn, deposed and said that the inf	formation contained in the above and foregoing Affidavit is true and correct.
	SONYA WHITE Notary Public, State of Utah Commission #563596 My Commission Expires April 18, 2010 NOTARY PUBLIC
	My Commission Expires: April 18, 2010



Search all of Utah.gov »

Public Meeting Notice Admin

- Help
- Log Out

Notices: Search

Government Type:	Please select government type	
------------------	-------------------------------	--

Entity:

-- Please select entity --

Public Body:

-- Please select public body --

Status:

ACTIVE

Keyword:

Notice Start date: 10/15/09 12:00 PM

Notice End date:

Show Results

Search Results

Notice	Location	Date	Status Options
Board of Trustees Meeting, Board of Trustees	10980 S. Jordan Gateway, South Jordan	10/15/09, 12:30 PM	ACTIVE 📓

Public Notices

Notices

- Dashboard
- Add
- Search
- Drafts
- Published
- Pending

Owner

- Add
- Search
- Pending

Public Bodies

- Add
- Search
- Pending

11/9/2009

H 1:79

Poster

- Add
- Search
- Pending

Other

- Request Entity
- Request Public Body
- Request Owner Access
- Request Poster Access

<u>Utah.gov Home</u> | <u>Utah.gov Terms of Use</u> | <u>Utah.gov Privacy Policy</u> | <u>Utah.gov Accessibility Policy</u> | <u>Translate Utah.gov Copyright</u> © <u>2009 State of Utah - All rights reserved.</u>



Search all of Utah.gov »

Public Meeting Notice Admin

• Help

11/9/2009

• Log Out

W T			
	tices	· H'Ali	1
LIV	LILCO	. L'UI	u

Notices: Eait		
(Fields marked with * are required)		
Notice Title: Entity: Public Body Name: Notice Subject: * Notice Subject 2: Street Address: *	Board of Trustees Meetin Utah Counties Insurance Board of Trustees Insurance Please select subject 10980 S. Jordan Gatewa	e Pool
Street Address continued:	10900 G. Jordan Galewa	
City: * Zip: Start Date: *	South Jordan 84095 10/15/09 12:30 PM	
End Date: Deadline Date:	10/15/09 04:30 PM	
Description / Agenda:*	Lunch Provided Call to Order and By law, agendas must b added as an attachment.	be posted into this field and not solely
Use ADA on PMN: * (What's this) ADA: In compliance with the American Disabilities Act, please note available accommodations or contact information for individuals needing special assistance during the meetings of this public body.	In compliance with the Americans with	\$
Electronic Participation: * (What's this) Electronic or Telephonic Participation: Pursuant to UCA 52-4-207, please note whether or not electronic or telephonic participation is available for the meetings of this public body.	Any Member of the Utah Counties	\$
Other:		\$
Emergency Notice: Email copy of notice to:	☐ Yes	
Status:	ACTIVE	
Attachments:		Description

Browse...

>Attach

Back Publish Cancel

Public Notices

Notices

- Dashboard
- Add
- Search
- Drafts
- Published
- Pending

Owner

- Add
- Search
- Pending

Public Bodies

- Add
- Search
- Pending

Poster

- Add
- Search
- Pending

Other

- Request Entity
- Request Public Body
- Request Owner Access
- Request Poster Access

<u>Utah.gov Home</u> | <u>Utah.gov Terms of Use</u> | <u>Utah.gov Privacy Policy</u> | <u>Utah.gov Accessibility Policy</u> | <u>Translate Utah.gov Copyright</u> © 2009 State of Utah - All rights reserved.